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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
16TH DAY OF JANUARY 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of January 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:07 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Ye

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of December 19, 2006

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF DECEMBER 19, 2006, BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 1-2007, Commending and expressing appreciation to Louise Gilbert for her 33 years of dedicated service on the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: James Nybakken (Agency staff)

President Peterson stated on behalf of the Agency Commission and staff, he appreciated the long and dedicated public service of Ms. Louise Gilbert.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 1-2007, COMMENDING AND EXPRESSING APPRECIATION TO LOUISE GILBERT FOR HER 33 YEARS OF DEDICATED SERVICE ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (c)** Resolution No. 2-2007, Authorizing the waiver of berthing fees for nonprofit community sailing organizations for a maximum of seven berths in South Beach Harbor; Rincon Point-South Beach Redevelopment Project Area

Presenters: James Nybakken (Agency staff)

Speakers: Roger (no surname given), Richard Forst, Ed Gallagher, Herb Meyer, Nick Tarlson, Victoria Ketchum

Commissioner Covington stated it was great to see the commodores, skippers and sea scouts at the Commission meeting. Ms. Covington stated she attended the dedication of the new South Beach Harbor Yacht Club and had the opportunity to meet many of the nice people involved in the program and that she was happy to hear about the sailing programs. Ms. Covington stated she would request Agency staff to prepare an annual report

that would include details of the outreach on the part of the nonprofit organizations to a diverse community, because that was her one concern that the communities being served could be much more diverse than they were. Ms. Covington stated she would like to see details of the outreach when staff prepared the report, including flyers, newsletters, and letters from the schools that the organizations were working with. Ms. Covington put forth a motion to adopt item 4 (c).

Commissioner Breed stated that her experience in interacting with the Treasure Island Sailing Center was very enjoyable, and it was exciting to have a dinghy dock that would lift wheelchairs to allow disabled persons to learn how to sail. Ms. Breed stated they had a diverse group of participants and they were still going strong today. Ms. Breed stated she was proud to have been a part of that program, and that she was happy to see many young folks involved with sailing at an early age, because the youth represented the future and it was important to train a new generation of people. Ms. Breed seconded Commissioner Covington's motion to adopt item 4 (c) and wished the organizations the best of luck.

Commissioner Singh asked what the procedure was for someone who wanted to rent a berth at the South Beach Harbor and if there was an application.

Mr. James Nybakken, Harbor Manager, stated under the program, there would be three berths still available to eligible nonprofit organizations. Mr. Nybakken stated that from time to time, the harbor received inquiries about the program and the Agency had an application that included criteria for the proposed sailing program, including the types of boats, qualifications of instructors, any outreach they may have and insurance requirements.

Commissioner Singh asked if the Bay Area Disabled Sailors Association (BAADS) had the proper insurance requirements.

Mr. Nybakken stated that all of the nonprofit organizations had the insurance coverage, which was the basic one million dollars of general liability coverage.

Commissioner Yee stated that in the past two years, five berths had been assigned to only three nonprofit organizations, and asked how the berths were assigned to each of the three groups.

Mr. Nybakken stated that the BAADS had two berths for three boats, and the San Francisco Sailing Whaleboat Association had two berths for two boats, and the Blue Water Foundation had one berth for one boat. Mr. Nybakken stated that in addition, the harbor had the 80-foot long dinghy

dock, which the BAADS had its access dinghies as well as the Yacht Club dinghies, which it used for sailing programs.

Commissioner Yee requested verification that a maximum of seven berths would be reserved for the nonprofit groups, and asked how many total berths there were at the South Beach Harbor and if the harbor was fully occupied, and if there was a waiting list.

Mr. Nybakken affirmed there would be a maximum of seven berths reserved for the nonprofit groups and that number represented one percent of the total number of berths in the harbor, which was about 700 berths. Mr. Nybakken stated the total number of berths was not exact because the harbor had expandable berths that could accommodate more boats depending on the size. Mr. Nybakken stated the harbor was fully occupied and had a long waiting list. The 30- and 34-foot berths had about a four-year wait, and the larger berths had between a five- to seven-year waiting periods.

Commissioner Yee stated he knew of some larger berths available at the Emeryville Yacht Club, because it was recently expanded and the berths may be a little less inexpensive.

Mr. Nybakken stated the berths in Emeryville may be a little less expensive, but that there was nothing much better than San Francisco in terms of the primary access to sailing on the bay, and that the South Beach Harbor was well-maintained.

Commissioner Yee asked if there was a lot of demand from nonprofit sailing groups.

Mr. Nybakken stated these were the only ones that the Agency heard from recently, and the Agency could certainly conduct more outreach and advertising to other nonprofit groups.

Commissioner Yee stated he would like to see more nonprofit groups avail of the South Beach Harbor program, because it was good for the public and the City and urged staff to widen the outreach efforts. Mr. Yee asked if seven berths were adequate to serve the potential increased interest.

Mr. Nybakken stated he thought that seven berths would be adequate given the Agency's past experience, but that it was also timely to do more advertising about the program to see if there were more nonprofit groups that would be interested in participating.

President Peterson stated that staff should keep in mind that the Commission meetings were a good place to publicize opportunities in the future in terms of the diverse communities involved with the Agency's programs and activities.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 2-2007, AUTHORIZING THE WAIVER OF BERTHING FEES FOR NONPROFIT COMMUNITY SAILING ORGANIZATIONS FOR A MAXIMUM OF SEVEN BERTHS IN SOUTH BEACH HARBOR; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (d)** Resolution No. 3-2007, Public hearing and Authorizing execution of a sublease with Bike Hut Foundation, a California nonprofit corporation, to sublease for a term of five years approximately 155 square feet of a designated area on Pier 40; Rincon Point-South Beach Redevelopment Project Area

Presenters: Ricky Tijani (Agency staff)

Speakers: Michael Klett, Ted Thomas

Commissioner Romero commended the good work of the Bike Hut Foundation that resulted in a recommendation from the Rincon Point – South Beach Citizens’ Advisory Committee.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 3-2007, PUBLIC HEARING AND AUTHORIZING EXECUTION OF A SUBLEASE WITH BIKE HUT FOUNDATION, A CALIFORNIA NONPROFIT CORPORATION, TO SUBLEASE FOR A TERM OF FIVE YEARS APPROXIMATELY 155 SQUARE FEET OF A DESIGNATED AREA ON PIER 40; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (e)** Resolution No. 4-2007, Approving an amendment to the Rincon Point-South Beach Redevelopment Plan to implement Senate Bill 2113 and authorizing transmittal thereof to the Board of Supervisors of the City and County of San Francisco; Rincon Point-South Beach Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Commissioner Covington asked how many Senate Bills had been adopted specifically for San Francisco.

Ms. Amy Neches, Senior Project Manager, stated that Senate Bill 2113 was the only bill adopted specifically for San Francisco and for the development of affordable housing in San Francisco.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 4-2007, APPROVING AN AMENDMENT TO THE RINCON POINT-SOUTH BEACH REDEVELOPMENT PLAN TO IMPLEMENT SENATE BILL 2113 AND AUTHORIZING TRANSMITTAL THEREOF TO THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 5-2007, Authorizing an exclusive negotiations agreement with Community Housing Partnership, a California nonprofit public benefit corporation, and Mercy Housing California, a California nonprofit public benefit corporation, for the development of 120 units of very low-income supportive housing on Central Freeway Parcel G, southeast corner of Gough and Fulton Streets; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenters: Erin Carson (Agency staff), Jeff Kositsky (CHP)

Speakers: Charie Sharp, Yusuf Shakuur, Rev. Arnold Townsend

Commissioner Breed stated she appreciated her fellow Commissioners agreeing to have the Western Addition Citizens' Advisory Committee review the development proposal for Parcel G. Ms. Breed put forth a motion to adopt item 4 (f).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 5-2007, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH COMMUNITY HOUSING PARTNERSHIP, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 120 UNITS OF VERY LOW-INCOME SUPPORTIVE HOUSING ON CENTRAL FREEWAY PARCEL G, SOUTHEAST CORNER OF GOUGH AND FULTON STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (g) Resolution No. 6-2007, Conditionally approving the master plan for the open space and streetscape for the Hunters Point Shipyard and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff), Kevin Conger (CMG Landscape Architects)

Speakers: Heidi Harden, Marcia Dale-LeWinter, Brittany Toliver, Francisco Da Costa, Scott Madison

Commissioner Romero thanked staff for the good presentation and stated that the master plan was a good plan and supported by the public speakers. Mr. Romero put forth a motion to adopt item 4 (g).

President Peterson congratulated Agency staff and the architects for the progress made on the master plan for the open space and streetscape for the Hunters Point Shipyard. Mr. Peterson seconded Commissioner Romero's motion to adopt item 4 (g).

Commissioner Covington stated that when the matter was first presented to the Commission, there was discussion about widening the bicycle and pedestrian paths, and asked if that had been taken into account in the proposed master plan.

Mr. Thor Kaslofsky, Assistant Project Manager, stated that staff looked at the streetscape for possible installation of bicycle paths that would be connected to Bicycle Path 68, which the consultants could describe in detail the street alignment the bicycle path would follow within the Shipyard. Mr. Kaslofsky stated that the Design for Development for the Shipyard called for sidewalk widths of between 10 to 13 feet, and in certain low-volume streets, there would be shared paths for vehicular and bicycle traffic, but not a designated bicycle path, which would be a Class 3 bicycle path. Mr. Kaslofsky stated there would be a Class 2 bicycle path, a designated bicycle path at the entrance to the Shipyard.

Mr. Patrick Vaucheret of SMWM Architects, stated there would be designated bicycle path along Innes Avenue to Galvez Street to serve the Shipyard, and further bicycle access would be provided by a Class 2 bicycle path down Innes Avenue all the way to the hilltop area and connecting to the proposed Hilltop Park where the Class 2 bicycle path would transition into a shared, Class 3 bicycle path, with signage on the street.

Commissioner Covington asked if the paths along the steep hillside areas had been widened as previously discussed by the Commission.

Mr. Kaslofsky stated that the accessibility paths that follow along the steep bluff areas had not been widened yet as staff and the consultants were still looking at the grading of the slopes to determine where the possibilities may exist to widen the pathways.

Commissioner Covington referred to page 15 of the master plan and asked how the Hillside and Hilltop Parks would be connected, because they appeared on the illustrations to be isolated from each other.

Mr. Kevin Conger of CMG Landscape Architects, stated that the physical circulation connection for the proposed parks would be through the existing streets just outside of the Shipyard project area boundary on the south.

Commissioner Covington asked if the proposed Prostrate Rosemary ground cover planting was edible, and if not, suggested appropriate signage.

Mr. Conger stated that the proposed ground cover planting was not the herb variety used for food, and was not edible.

Commissioner Breed stated she noticed that the focus on the education as part of the discussion on environmental issues had been focused at the Shipyard and the Bayview Hunters Point community, but that she wanted to point out that the environmental issues were not just Bayview matters, but were citywide matters. Ms. Breed stated she wanted her fellow Commissioners to think about a way that the Agency could lead in providing educational opportunities for the rest of San Francisco. Ms. Breed stated that Ms. Heidi Hardin's program, Think Round, Inc.'s Children's Mural program for the Hunters Point Shipyard, would be a great program that could be duplicated in other schools throughout San Francisco, because other kids in the City should have the opportunity to not only participate in a similar program, but to also be educated about environmental issues in the Shipyard, because it is a part of San Francisco, and there should be educational opportunities and involvement for all kids in the City.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 6-2007, CONDITIONALLY APPROVING THE MASTER PLAN FOR THE OPEN SPACE AND STREETSCAPE FOR THE HUNTERS POINT SHIPYARD AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Workshop on initial community recommendations for the reinvestment of Agency land sales proceeds to benefit Bayview Hunters Point area

Presenters: Thor Kaslofsky (Agency staff), Scott Madison (HPS CAC), Junius Williams (Urban Strategies)

Speakers: Marcia Dale-LeWinter

President Peterson thanked Agency staff and consultants for the helpful presentation.

- 4 (i) Workshop on the Visitacion Valley Preliminary Plan and the Redevelopment Plan Adoption process

Presenters: Tom Evans (Agency staff)

Speakers: Espanola Jackson, Francisco Da Costa

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

The Commission discussed item 8, Report of the Executive Director, next on the Agenda.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

8 (a) Status of dust control measures and health concerns related to the Hunters Point Shipyard Phase I construction activities

Executive Director Rosen stated she calendared the matter because of the great concern from the community and Commission in order to give the Commission and the public an update on the activities since the last Commission meeting on December 19, 2006. As the Commission will recall, at the December 19th meeting, Minister Christopher Muhammad provided testimony on health screening tests that were conducted for the school children and school staff from the school located adjacent to the Shipyard Parcel A construction site. Vice-President Covington requested staff to follow up with Minister Muhammad about the health professionals that conducted the tests as well as the methodology they used, and that Commissioners were sent a copy of her December 22, 2006 letter to that effect. Ms. Rosen stated that while she did not receive a written response to her letter, Minister Muhammad did call her on January 2nd and requested a meeting with Dr. Muhammad to follow up on the health concerns. Ms. Rosen stated she convened a meeting at the Agency offices on January 3rd, which was attended by Commissioners Breed and Covington, members of Lennar staff, Minister Muhammad, Dr. Muhammad and other school representatives, Dr. Mitch Katz, Dr. Rajiv Bhatia and Amy Brownell from the Department of Public Health, as well as Agency staff. Ms. Rosen stated that at the January 3rd meeting, there was a lengthy discussion, primarily between the health professionals, seeking to reach agreement on what responsible next steps would be for assessment of any exposure and health impacts to the school population. At the end of the meeting, agreement was reached on two major points: First, Drs. Katz and Bhatia and Dr. Muhammad would continue to discuss the matter attempting to reach agreement on an assessment protocol, and if they were not able to do so, they would bring in a third party or neutral health experts to help reach agreement, and Dr. Katz agreed to report back to her within two weeks, hoping to have a timeline for what the next steps would be. Ms. Rosen stated they also agreed to look into a research protocol, which would assess a worse-case scenario of exposures based upon the available data, using the CAL-OSHA data from the workers' monitors, ambient monitors, and any other scientific information, and depending on the results, to conduct additional medical research as to whether or not there was any substantiated medical findings with respect to the potential, hypothetical worse-case

exposure. Ms. Rosen stated she was informed by Dr. Katz and Dr. Bhatia that a letter was sent to Dr. Muhammad on January 9th with a draft proposal, which she just received (copies distributed to Commissioners). Ms. Rosen stated she was also informed by Mr. Kofi Bonner that he, former Mayor Willie Brown and Minister Muhammad met on January 9th and that they slightly amended the agreement that was reached at the January 3rd meeting, in that everyone should proceed with an agreed upon protocol, but that if there was not an agreement, both Dr. Katz from the Department of Public Health and Dr. Muhammad could independently seek additional experts and exchange those proposals as well. Ms. Rosen stated there was agreement and a spirit to work towards resolving the matter, but that to date, there was not yet an agreement on the protocol. Ms. Rosen stated that in addition to communicating with Dr. Muhammad and San Francisco health experts, Dr. Katz and Dr. Bhatia had also reached out to the State Department of Health, the Environmental and Toxics Section, to seek additional input and recommendations as to whether or not there were any additional health assessment tests that they would recommend.

Ms. Rosen stated that with regard to the dust control, she had asked Ms. Amy Brownell to keep her up to date on any additional challenges with the enhanced dust monitoring program that Lennar had implemented. Ms. Rosen stated she believed there had been three times since December 19, 2006 where the monitors had reached the threshold levels, and Lennar had voluntarily suspended construction work. Ms. Rosen stated that unfortunately, there was a problem on Friday January 12th. When the testing from the prior Wednesday came in, it indicated that the work should be suspended on Friday, January 12th, and Lennar did communicate that to its contractors, but unfortunately, the work continued for a few hours when it should have been suspended. Mr. Bonner informed their contractors that they were in violation of their agreement and sent them a notice of default. Ms. Rosen stated she requested Mr. Bonner to attend the Commission meeting to respond to Commissioners' questions. Ms. Rosen stated she would continue to keep the Commission informed and continue communicating with the Department of Public Health, Lennar, and the community.

Speakers: Minister Christopher Muhammad, Francisco Da Costa, Espanola Jackson, Scott Madison

Commissioner Breed stated that Minister Christopher Muhammad had attended the previous Commission meetings and that the item should not have been listed at the end of the agenda out of respect for his patience and time. Ms. Breed stated the matter should have been calendared as a separate item and not part of the Executive Director's report. Ms. Breed stated she did not know if Mr. Kofi Bonner was going to make comments, because she wanted to hear what he had to say before she made her remarks.

Mr. Kofi Bonner of Lennar/BVHP, stated that as was indicated in the Executive Director's report, their protocol broke down last Friday morning (January 12th) and that was absolutely inexcusable, and that he agreed with Mr. Scott Madison's comments that the construction activities should have stopped. Mr. Bonner stated they had clear protocols, which had been followed and the construction work was ceased on several occasions as the Commission knew, and for some inexplicable reason on the morning of January 12th, their contractor chose to continue working for three hours when he should not have been working because of the dust. Mr. Bonner stated that Lennar had contractual relationships with not only their contractor, but also those they hired to monitor the construction activities, and under those contracts, Lennar sent notices of defaults, which include provisions for punitive measures that would be applied, because Lennar shared the same concerns as the community and the Agency. Mr. Bonner stated all he could say was that the violation happened and that he took responsibility as the President of the Lennar Urban Division, and that he apologized even though apologies would not be good enough, but that they were working to ensure that the same thing would not happen again. Mr. Bonner stated this was the first time that he heard there was no watering on Saturday, because he understood that indeed, there was watering of the construction site. Mr. Bonner stated that Lennar had hired directly from the community to monitor the dust on the construction site, and that Lennar was taking significant steps to make sure that their contractor complied with the regulations.

Commissioner Breed stated that Mr. Bonner had called her about the situation and expressed extreme frustration, but that the issue was at a point where it seemed that Lennar's contractor continued to do what it wanted to do, which was ruining Lennar's relationship with the community that Lennar worked so hard to establish and nurture. Ms. Breed stated that because of the incident, a lot of the community trust and good will had been lost, which was unfortunate, because everything that needed to be done was being done except getting rid of the contractor completely, which sounded like that was what needed to be done. Ms. Breed stated that would certainly be her recommendation to terminate the contractor, and if steps were not taken toward that end, she thought that the Agency, unfortunately, would have to find Lennar in default, to ensure the safety of the community. Ms. Breed stated she would rather see the contractor, which was in complete violation of its obligations, be completely released from the project, and a new contractor be hired to complete the project, with the expectations of complying with all of the regulations to control the dust. Ms. Breed stated it was unfortunate because of the potential long delays for the project, and she and Commissioner Covington's efforts to convene meetings with the community and to work with the Department of Public Health were all but lost with the most recent incident.

Commissioner Yee stated he would suggest to staff that the item should have been placed earlier on the agenda and not toward the end, because of all the young folks who came to the meeting that had been patiently waiting.

President Peterson stated he thought the reason why the item was calendared under the Executive Director's report was that the incident on January 12th occurred after the agenda was finalized.

Executive Director Rosen stated that she was going to report on the matter generally to provide an update, but that she wanted to itemize the matter so that the public would know that it was under the Executive Director's report and there would be opportunity for public comment.

Commissioner Yee stated he understood, but that he was concerned about the young children who had been very well-behaved at all of the meetings and the Agency should be considerate. Mr. Yee stated he did not understand how the residents and children of the Bayview community could be put at risk when there had to be provisions in the Agency's rules and regulations for contractors in such violations, and asked what enforcement provisions the Agency had under its agreement with Lennar.

Executive Director Rosen stated as the Commission knew, the Agency's agreement was not with the subcontractor that was actually doing the construction work, but with Lennar, and under Lennar's contract with the subcontractor, to which the Agency was not a party, Lennar had invoked a process for noticing of a default to see if the default could be cured or to take further action. Ms. Rosen stated that what the Agency was looking at was whether Lennar was taking every step that it should take with its contractors and subcontractors, and at this time, staff was still evaluating that with legal counsel. Ms. Rosen stated that as unfortunate as the incident was and as disappointed as everyone was, she wanted to point out that Mr. Bonner did take action immediately about the incident and sent notices of default to his contractors that same day. Ms. Rosen stated she would remind the Commission that under the regulations of Article 31, the Department of Public Health (DPH) was in charge of the overall dust control measures and it was the Director of Public Health that had the regulatory authority for the violations of the dust mitigation plan, and the Agency staff would continue to be in consultation with the DPH.

Commissioner Yee asked what immediate steps could be taken by the DPH to ensure that the contractor followed the rules, because the contractor had numerous violations and action should be taken to prevent further mishaps.

Ms. Amy Brownell of the DPH, stated she wanted to clarify that the violation that occurred on January 12th was under the Bay Area Air Quality Management District's (BAAQMD) protocols, which the work suspension threshold number, with the requirement that the work be suspended when the threshold number was exceeded. Ms. Brownell stated that when the dean of the school informed her of the unfortunate incident, she immediately sent her inspector to the site, called Lennar to investigate, and also called Mr. Wayne Lee of the BAAQMD who also went to the site. Ms. Brownell stated they all expressed their outrage at what happened and that she would be writing a letter to Mr. Lee with all of the facts, observations and findings from that day to see what actions the district could take. Ms. Brownell stated there was a provision under Article 31 for the DPH dust control plan that could be invoked if the BAAQMD did not take action, but that they preferred to work with the lead agency on the dust control, which was the BAAQMD.

Commissioner Yee asked what actions Lennar was planning to take under its contract with the contractor who seemed to be purposely and continually endangering the community with its construction work.

Mr. Paul Menaker, Senior Vice-President for Lennar, stated they had contracts with the joint venture of Gordon Ball and Yerba Buena Engineering as well as Luster International, and in the case of the January 12th incident, Lennar felt there was a breakdown in roles of both contractors. Mr. Menaker stated they sent a letter of default, which was the first step in terminating a contract, and under the terms of the contract, both contractors would have a 10-day cure period with a requirement to meet within three days to inform Lennar who they would cure the default. Mr. Menaker stated that if Lennar did not get satisfaction of the contractors' curing of the situation within the 10-day period, Lennar would cancel both contracts with financial and punitive damages applied.

Commissioner Yee asked if it was possible to assign Agency staff to monitor the construction activities on the site.

Executive Director Rosen stated the Agency did not have a role as an on-site monitor and that Lennar had hired community members to be additional monitors. They also had an 800 telephone number for use by community members and Lennar staff on site for environmental monitoring. In addition, the DPH would send inspectors upon receipt of a request. Ms. Rosen stated the Agency did not have the capacity or the expertise to be an on-site monitor, but that the Agency would continue to work closely with the DPH, Lennar and others.

Commissioner Yee stated he hoped that the DPH would continue to closely monitor the construction activities, and that Lennar would take notice of the seriousness of the situation and consider hiring another contractor if the present contractor refuses to perform under the established rules. Mr. Yee stated it was Lennar's responsibility as the master developer for the Shipyard and they should take that responsibility seriously. Mr. Yee stated he hoped that the Commission would not hear any more incidents.

Commissioner Romero stated he personally went out to see the site at the Shipyard and surprised Ms. Willie Kennedy who gave him a tour, because he wanted to see the physical location and how close the residences and the school were to the construction site, and indeed, they are very close and he could understand the concerns. Mr. Romero stated he believed that this was the fourth Commission meeting there had been substantial discussion about the issue and that he had been reserving judgment on the matter, because he did not know if anyone had been harmed or if any of the allegations were true as far as any personal injuries. Mr. Romero stated he heard described to the Commission by Agency staff and other City agencies what mechanisms had been set up to monitor the dust and try to prevent harm, and recalled that earlier on, the monitors that were installed were not working properly, so he had listened carefully to all of the discussions, but no one can deny the tremendous public relations issue with the situation at hand. Mr. Romero stated that thus far, he had been supportive of the mechanisms that were established to try to convince the public that the Agency was acting in a responsible manner, including a letter from the director of the DPH stating that there were no medical health hazards. Mr. Romero stated he would disagree with Minister Muhammad's earlier comment that the situation "bordered on the ridiculous," because he believed the situation went beyond the absurd, as he could not understand why after four Commission meetings with the level of the comments and emotions that the Commission and the community had to go through, that another incident occurred the week before, and that the contractors could not seem to get it right to correct the tremendous failures. Mr. Romero stated someone must be held responsible and that significant punitive measures be taken, because the contractor had not paid any attention to the notices and the concerns of the community and the Agency. Mr. Romero stated he was tremendously disappointed that after what everybody had gone through, the Agency was still hearing that the system the Agency informed the community was established to ensure its safety was not even being followed. Mr. Romero stated that the situation was over the line and hoped that the community and the Commission would not have to go through the same thing again.

Commissioner Covington stated there were two additional very detailed and lengthy community meetings that she had attended in addition to the four Commission meetings that Commissioner Romero referred to where the same matter had been discussed. Ms. Covington stated following all of

those meetings, it was extremely disappointing and perplexing that the matter was before the Commission again. Ms. Covington stated that when Mr. Kofi Bonner called and left her a lengthy message, she did not want to return his telephone call, because she wanted to be very measured in her response to him, and when they spoke, she informed him in no uncertain terms, that the situation had to be fixed, even if it required Lennar to hire someone to be on site all day to monitor the construction activities, because the communications breakdown was persistent and consistent, and that she did not want to hear any more excuses about how the matter was being dealt with. Ms. Covington stated the Shipyard had Lennar as the developer in addition to the Agency, the DPH and the BAAQMD, and somebody other than Dean Muhammad, whose primary responsibility was the education and safety of children, should not be spending his time doing things that were not academic in nature. Ms. Covington stated that was a waste of the parents' tuition money and Dean Muhammad had taken his focus away from the children who deserve his attention, and it did not make sense for the dean to be the one making the telephone calls and monitoring the construction activities. Ms. Covington stated she wanted a detailed plan prepared on how the entities involved would prevent the recurrence of such events in order to resolve the time lags between the construction work violations and monitoring by the various agencies, because the whole monitoring process was a logistical nightmare, and in actuality, the situation had surpassed the 10-day cure period as the matter should have been dealt with much sooner. Ms. Covington stated she wanted the matter calendared for the next Commission meeting with a presentation of the detailed plan on how the situation was going to be resolved. Ms. Covington stated that a tremendous amount of goodwill had been expended on Parcel A alone and there were still all the other Shipyard parcels yet to be developed, and the dust issue could prevent the overall vision for the Shipyard to come to fruition, which would be disappointing. Ms. Covington stated she was very displeased and that she needed to see drastic improvements immediately.

Commissioner Breed invited Minister Muhammad to make additional remarks, if he had any.

Minister Muhammad stated he was disturbed because with all of the regulations and processes, there was still the matter of the exposure of children and the community to unknown health hazards. Minister Muhammad stated he wanted the Commission to be mindful that the school children were primarily African American students, although there were also Asian American, Latino and Pacific Islander students from within the Bayview Hunters Point community and even from as far as Vallejo. Minister Muhammad stated that with all due respect to Mr. Kofi Bonner whom he respected, he was at a point where he felt he could not go farther with trying to resolve the matter, and that he was hoping that the responsible agencies were doing what was necessary to correct the problem.

Commissioner Breed asked Mr. Bonner if it was possible to have one of the executives of their contractor to attend the next Commission meeting to address the Commission, because she really wanted to hear directly from the contractor. Ms. Breed stated that if it was any other developer, she would not tolerate the situation, but because she respected and trusted Mr. Bonner, she was willing to work cooperatively, but that it was the responsibility of Lennar to ensure that its contractors followed the rules.

Mr. Bonner stated at the request of the Commission, certainly the contractor could attend the next meeting, but that he would suspect that it may not be the most useful way to spend the Commission's time. Mr. Bonner stated he agreed that it was his responsibility to make sure that all of the frustrations and exasperations were clearly communicated to the contractor, and the Commission had outlined very specific steps as to how the contractor should behave, and Lennar would be prepared to respond.

Commissioner Breed stated she would leave it up to the President and Vice-President when they set the next agenda to determine if the contractor would be requested to attend.

The Commission resumed discussion of Item 6, Persons wishing to address the members on non-Agenda, but Agency related matters.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Adolphe Philoxene, Scott Madison, Ace Washington

7. REPORT OF THE PRESIDENT

- President Peterson stated he appreciated Commissioner Covington's suggestion to calendar a discussion of the Shipyard dust issue at the next Commission meeting. Mr. Peterson stated he would suggest that the Agency look into providing stipulations that the Agency would not conduct business with certain contractors who had shown prior disregard for rules and regulations.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed stated the Commission had a retreat the year before and that she thought it was very insightful, and that she would suggest having a Commission retreat on an annual basis and that the Mayor should be in attendance.
- Commissioner Breed stated she was informed by Commissioner Covington that the Western Addition A-2 closeout plan was calendared for the February 6th Commission meeting, but that she had made repeated requests to Ms. Gaynell Armstrong to calendar the matter at the Western Addition CAC meeting and for some reason the matter had only been heard by the CAC only once, maybe twice. Ms. Breed stated that the close out plan for the Western Addition was a very important matter and as the redevelopment plan was set to expire in 2009, she was certain that the Commissioners would be bombarded by community folks that would be upset at the Agency and that people were not communicated with about the close out of the project area. Ms. Breed stated it was important for the Agency to be proactive and that the Commission would like to have a public meeting specifically on the close out plan that would be coordinated with the CAC. Ms. Breed stated she would like the close out matter to be kept on the regular monthly CAC meeting agenda or on the subcommittee agendas, because it would take time to develop the strategy for a close out plan.
- Commissioner Breed stated she wanted the matter that the Commission continued indefinitely regarding its consideration of whether to retain, amend or rescind the Agency's Disclosure Policy to be reconsidered by the Commission. Ms. Breed stated that when the Commission first considered the matter, she recalled that the Mayor had indicated in a letter that it was his intention to implement a similar disclosure policy that would apply to all City commissions, and she remembered stating that she hoped that would be done in a timely manner, and at the present time, she did not know what was happening with the policy and that other City commissions may not be aware that such a policy was proposed for their consideration. Ms. Breed stated she would hope that the Commission could revisit the matter even it was just an update on where the Mayor's Office was in implementing the policy for all City commissions.
- Commissioner Breed stated she understood that the Commissioners were responsible for evaluating the Executive Director and since she had been appointed to the Commission, the Commission had not done an evaluation, and thought that it was important to engage in a discussion on the Executive Director's performance for the Agency. Ms. Breed stated these were matters she wanted to bring to the President's attention and to see if her fellow Commissioners were interested in these matters in order to move forward in the new year.

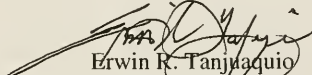
- President Peterson stated he agreed with all of the matters that Commissioner Breed discussed as well as the performance reviews for the Executive Director and Deputy Executive Directors.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Covington, seconded by Ms. Breed, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:14 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

February 6, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
6TH DAY OF FEBRUARY 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 6th day of February 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of January 16, 2007
- 4 (b)** Resolution No. 7-2007, Authorizing an Amended and Restated Tax Increment Loan Agreement, an Amended and Restated Housing Opportunities for Persons With AIDS Loan Agreement and a First Amendment to the Hazardous Materials Loan Promissory Note with Mercy Housing XX, L.P., a California limited partnership, to allow for permanent funding from the State Housing and Community Development Department Multifamily Housing Program, all in conjunction with the development of 139 units of very low income senior rental housing at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area
- 4 (c)** Resolution No. 8-2007, Authorizing an Amended and Restated Ground Lease; an Amended and Restated Memorandum of Ground Lease and a lease rider with Mercy Housing XX, L.P., a California limited partnership, to allow for permanent funding from the State Housing and Community Development Department Multifamily Housing Program, all in conjunction with the development of 139 units of very low income senior rental housing at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area

Commissioner Singh requested that items 4 (b) and (c) be withdrawn from the Consent Agenda.

President Peterson stated that the Commission would vote on Consent Agenda item 4 (a) and entertained a motion for adoption.

Commissioner Breed put forth a motion to adopt Consent Agenda item 4 (a). Commissioner Covington seconded the motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 16, 2007, BE ADOPTED.

The Commission considered approval of items 4 (b) and (c).

Items 4 (b) and (c) were presented together and acted upon separately.

- 4 (b)** Resolution No. 7-2007, Authorizing an Amended and Restated Tax Increment Loan Agreement, an Amended and Restated Housing Opportunities for Persons With AIDS Loan Agreement and a First Amendment to the Hazardous Materials Loan Promissory Note with Mercy Housing XX, L.P., a California limited partnership, to allow for permanent funding from the State Housing and Community Development Department Multifamily Housing Program, all in conjunction with the development of 139 units of very low income senior rental housing at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area
- 4 (c)** Resolution No. 8-2007, Authorizing an Amended and Restated Ground Lease; an Amended and Restated Memorandum of Ground Lease and a lease rider with Mercy Housing XX, L.P., a California limited partnership, to allow for permanent funding from the State Housing and Community Development Department Multifamily Housing Program, all in conjunction with the development of 139 units of very low income senior rental housing at the Mission Creek Senior Community, 201 Berry Street; Mission Bay North Redevelopment Project Area

Presenters: Pam Sims (Agency staff)

Commissioner Singh asked how much financing had been provided to Mercy Housing and if it was a loan or a grant.

Ms. Pam Sims, Development Specialist, stated that the permanent financing for Mercy Housing was \$7.5 million. Ms. Sims stated that the permanent financing for the project was a loan.

Commissioner Singh asked what the interest rate was on the loan.

Ms. Sims stated that the loan was a forgivable loan with a 3.5% interest rate.

Commissioner Singh stated that if the loan was a forgivable loan, then the financing was not a loan because if it was a loan, then it had to be paid back.

Ms. Sims stated that technically, it was a loan, which was a forgivable loan, and as long as they continued to serve low- and moderate-income seniors, the loan was forgivable.

Commissioner Romero put forth motions to adopt items 4 (b) and (c). Commissioner Breed seconded the motions.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 7-2007, AUTHORIZING AN AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT, AN AMENDED AND RESTATED HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS LOAN AGREEMENT AND A FIRST AMENDMENT TO THE HAZARDOUS MATERIALS LOAN PROMISSORY NOTE WITH MERCY HOUSING XX, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO ALLOW FOR PERMANENT FUNDING FROM THE STATE HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT MULTIFAMILY HOUSING PROGRAM, ALL IN CONJUNCTION WITH THE DEVELOPMENT OF 139 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT THE MISSION CREEK SENIOR COMMUNITY, 201 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 8-2007, AUTHORIZING AN AMENDED AND RESTATED GROUND LEASE; AN AMENDED AND RESTATED MEMORANDUM OF GROUND LEASE AND A LEASE RIDER WITH MERCY HOUSING XX, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO ALLOW FOR PERMANENT FUNDING FROM THE STATE HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT MULTIFAMILY HOUSING PROGRAM, ALL IN CONJUNCTION WITH THE DEVELOPMENT OF 139 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT THE MISSION CREEK SENIOR COMMUNITY, 201 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (d)** Work plan to implement dust control measures on Parcel A to mitigate dust and naturally-occurring asbestos emissions generated from the Phase 1 development; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff), Paul Menaker (Lennar), Amy Brownell (DPH)

Commissioner Covington stated she was much encouraged by the update as she was very concerned about the pace of improvement in the monitoring and dust mitigation, but it sounded like finally, the process was moving in the right direction. Ms. Covington asked how many monitors were installed originally and how many more were installed.

Mr. Paul Menaker of Lennar, stated that there were five original monitors and four additional monitors had been installed for asbestos. In terms of dust, Lennar installed one additional dust monitor outside the site adjacent to the school and two additional dust monitors on the site.

Commissioner Covington requested verification that the data from the monitors was collected in the evenings.

Mr. Menaker stated that the data from the monitors was collected at the end of the work day, which were analyzed the next day and Lennar received the analysis the following day, so there was a 24-hour delay before they saw the results.

Mr. Jeff Austin of Lennar, stated that the monitoring period for asbestos and dust was 24 hours, and typically, the monitors were started at about 7:00 or 7:30 in the morning. The monitors under the Bay Area Air Quality Management District (BAAQMD) program were run and operated by Lennar's consultant, Mac Tech, and the community monitors were run and operated by Treadwell and Rollo and Acumen, under guidance from the City. They both showed up at the site around 6:30 or 7:00 in the morning, collect the filters, and submit them to the laboratory, and the results would be available at about 3:30 to 4:30 in the afternoon of the same day. For example, on Monday at 7:00 a.m. they would start monitoring and at 7:00 a.m. the following day on Tuesday, the filters would be collected, and later that Tuesday, they would have the results for Monday's monitoring period.

Commissioner Covington requested verification that there was at least a 24-hour lag between the time Lennar received the results of the monitoring period that the construction work at site should cease, and the ability to actually order cessation of the work.

Commissioner Covington inquired about the people that the Young Community Developers (YCD) hired and asked how many additional people Lennar hired.

Mr. Menaker stated that about a month ago, Lennar hired two YCD employees to monitor the dust control, and since that time, they had hired an additional person to relieve people during lunch time in order to have full coverage. Mr. Menaker stated that the people they hired would be available on site during the weekend, and there would be one person working on the weekends to monitor any dust situation from wind currents or anything else and they would report it to Lennar, so that water trucks could be dispatched to the site.

Commissioner Covington stated she previously expressed concern about the misting systems and asked if they were operational during the weekends.

Mr. Austin stated that the misting systems were operational on Saturdays when there was work during Saturdays, but would not be operating if there were no work activities. Mr. Austin stated that Ms. Amy Brownell from the DPH mentioned that they were updating the dust control plan where a new section had been added, which was a response time required on days when no work was occurring such as on Sundays or holidays. Lennar had an obligation to respond within a particular timeframe, and that response included mobilizing a water truck to the site to water the site to keep the dust down. As Mr. Menaker mentioned, there would be one YCD employee at the site regardless of work status checking for any wind-generated dust on the site and immediate vicinity. Mr. Austin stated they had not yet reach agreement on the response time, but that their goal was to have a response time of around an hour and a half to two hours.

Mr. Menaker added that as they were finishing the grading work, much of the site was covered with a foot of suitable, non-serpentinite fill material on top of the graded areas, so that even after the grading work was completed, any dust generated would not be from serpentinite material, but from suitable fill material that had been used to cover the graded areas.

Commissioner Covington stated that the field inspection team and control measures described by Mr. Menaker sounded good and that she was happy to hear that, but that she wanted to know if Lennar anticipated any problems with the next phase of the installation of infrastructure.

Mr. Menaker stated that Lennar would maintain the same level of diligence that they had instituted during the first phase. Mr. Menaker stated there would be short-term trenching activities in order to install pipes and that as part of their grading contract was to do the over-excavation of the trenches ahead of time, so that they would not need to be on the site with major excavators to excavate the trenches.

Commissioner Covington stated that as much as possible, if Lennar could anticipate any future problems and address them immediately, she would greatly appreciate that.

Mr. Menaker stated they would continue their diligence and would do everything they could to address any future problems. Mr. Menaker stated that Ms. Nicole Franklin reminded him that the Article 31 controls in addition to the BAAQMD standards placed upon Lennar would continue on to the next phase of development with the same standards.

Commissioner Covington stated that her understanding was that the letter of the Article 31 statutes was being met, but that there were still problems.

Mr. Menaker stated that Lennar was in negotiations at the present time for a modification of Article 31 with drafts going back and forth, and that there would be a better defined Article 31 as the development moved forward.

Commissioner Covington asked if they had a timeframe upon which the negotiations to modify Article 31 would be completed.

Ms. Amy Brownell from the DPH, stated that they expected to complete all of the revisions at the end of next week.

Commissioner Covington stated that Ms. Brownell mentioned earlier that the DPH had added random inspections twice a day at the site and asked if the inspections would be at random times. Ms. Covington inquired about the health assessment protocol and requested verification that the State Health Department had opined that the biological, laboratory and environmental testing would not be suitable at this time.

Ms. Brownell stated that the random inspections would be at random times. Ms. Brownell stated that the State Department of Health's opinion was that there were no biological, laboratory and radiological testing that would be suitable, and the draft protocol included interviewing parents, discussing the health symptoms, which was not a specific biological or radiological test. Ms. Brownell stated that an assessment could be done, but not an actual sampling of tissue.

Commissioner Covington asked when the assessments would be done.

Ms. Brownell stated they had sent the draft protocol to Dr. Muhammad and the agreement was that the doctors would work on the draft protocol and once everyone agreed, they would implement it, but Dr. Muhammad had only responded that he had received the DPH draft protocol, and he had not yet responded with anything specific whether they agreed with it or not.

Commissioner Covington stated that she knew that people were thinking that the Commission was going into a lot of detail about the issue, but that the Commission had spent a lot of time on these matters, both at the Commission and at ad hoc community meetings. Ms. Covington stated that she hoped the process would move forward without any more missteps.

Commissioner Romero thanked Commissioner Covington for her questions and stated that he appreciated the detail of her specific questions and concerns and how closely Commissioner Covington had monitored the situation from the Commission's standpoint. Mr. Romero stated he wanted to thank everyone who had acted on the Commission's concerns since the last Commission meeting, and that it was obvious that they had taken the Commission's concerns seriously. Mr. Romero stated he listened very carefully to the presentation and the responses to Commissioner Covington's questions and that he appreciated the level of intensity in addressing the community's concerns. Mr. Romero stated this was exactly the kind of responsiveness that the Commission was looking for to address community relations in the area and hoped that would be maintained.

Commissioner Breed asked if Minister Muhammad was informed of the Commission meeting and if he was provided information about the work plan.

Ms. Rosen stated that Minister Muhammad was provided a copy of the memorandum for the work plan and was informed at the last meeting that the item would be heard early on the agenda.

Commissioner Breed stated that she was happy to hear that there were no additional problems since the last Commission meeting and that she was hoping things would continue in the same manner. Ms. Breed stated that she was looking forward to hearing from Minister Muhammad about whether or not he was completely satisfied with the dust control and other measures that were being implemented. Ms. Breed stated she wanted to thank the DPH for the work they had done and for being assertive in resolving the issues. Ms. Breed stated that the other matter that would continue to be of concern was the parents' concerns around the health of their children from possible exposure. Ms. Breed stated that the informational memorandum did not provide details as to what type of testing or if there could be testing done for any health hazards. Ms. Breed stated that previous attempts to meet with the school and parents had not been successful, and although she appreciated the progress made to date, she was certain that the health issues would resurface, and that she was hoping that everyone would continue to be proactive, and that Ms. Brownell would continue to work with the school to try and schedule a meeting with the parents in order to ease their concerns.

Commissioner Yee stated that he also was glad to see the progress and responsiveness from Lennar and the DPH and that he appreciated their efforts. Mr. Yee inquired about the collection of the dust samples from the filters and asked if the dust material was toxic.

Ms. Brownell stated that there were two different types of monitoring, one was the dust particulate monitoring, which examined the air for dust, without analyzing chemical content, and then the asbestos air samples, which pumped the air through a filter and sent to the laboratory to identify asbestos fibers. Ms. Brownell stated that the only chemical substance that was being tested for was asbestos, and the dust was just to verify if it was there and exceeded certain thresholds.

Commissioner Yee stated that he noticed there were no school children, parents or Minister Muhammad at the Commission meeting and requested verification that they were made aware of the work plan that was being implemented to address the issue.

Ms. Rosen stated that the school and Minister Muhammad had been informed that the work plan was on the Commission's agenda and were provided with all of the information. Ms. Rosen stated that the school's doctor, Dr. Alim Muhammad, had also been contacted by Dr. Rajiv Bhatia

of the DPH and there had been communications between the doctors. Ms. Rosen stated that the Commission was also provided an informational memorandum regarding a letter from a lawyer retained by the school about whether or not additional environmental review was necessary. Ms. Rosen stated she wanted to thank Dr. Katz, Dr. Bhatia and Ms. Brownell because the DPH had been very diligent in trying to stay in touch with the school not only pursuing their regulatory function, but also looking out for the health of the families at the school and trying to make their services available.

Commissioner Yee thanked Ms. Rosen and commended staff and the DPH for a job well done and to keep up the good work.

Commissioner Singh stated he did not see Minister Muhammad, his associates and the school children at the Commission meeting and asked if they were informed of the Commission meeting.

Ms. Rosen stated as she just responded, the school and Minister Muhammad were informed about the Commission meeting and they had contact with the DPH, and their lawyer had been in contact with her by correspondence and had received her response. Ms. Rosen stated that she believed they did have the opportunity to attend the Commission meeting, and staff was awaiting a response from the school as well as their doctor on the proposed health assessment protocol sent by the DPH.

Items 4 (e) and (f) were presented together and acted upon separately.

- 4 (e)** Resolution No. 9-2007, Authorizing an Amended and Restated Tax Increment Loan Agreement with BRIDGE Tower, LLC, a California limited liability corporation, in an amount not to exceed \$20,543,329, for a total aggregate amount not to exceed \$29,508,183, for the development of 124 units of low- and moderate-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program
- 4 (f)** Resolution No. 10-2007, Public hearing authorizing a Disposition and Development Agreement with BRIDGE Tower, LLC, a California limited liability corporation, for the development of 124 units of low-income and moderate-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

Executive Director Rosen stated that there was an unavoidable delay on these matters and because this was a noticed public hearing, she would recommend calling for any public comment, and then a motion to continue the items to the next Commission meeting. Ms. Rosen stated that this was a project that the Agency was very much looking forward to and the Agency's risk manager and BRIDGE were trying to resolve a technical matter regarding insurance.

Commissioner Singh put forth a motion to continue items 4 (e) and (f) to the Commission meeting of February 20, 2007. Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEMS 4 (e) RESOLUTION NO. 9-2007, AUTHORIZING AN AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT WITH BRIDGE TOWER, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, IN AN AMOUNT NOT TO EXCEED \$20,543,329, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$29,508,183, FOR THE DEVELOPMENT OF 124 UNITS OF LOW- AND MODERATE-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, AND 4 (f) RESOLUTION NO. 10-2007, AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH BRIDGE TOWER, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, FOR THE DEVELOPMENT OF 124 UNITS OF LOW-INCOME AND MODERATE-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE CONTINUED TO THE COMMISSION MEETING OF FEBRUARY 20, 2007.

- 4 (g) Resolution No. 11-2007, Public hearing Authorizing a ground lease with 650 Eddy, L.P., a California limited partnership, for the property at 650 Eddy Street, Block 0740, Lot 45 (formerly Lots 11 and 12), in conjunction with the construction of 83 units of very low income rental housing; Citywide Tax Increment Housing Program

Presenters: Ann Romero (MOH staff)

Commissioner Breed put forth a motion to adopt item 4 (g). Commissioner Covington seconded the motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 11-2007, AUTHORIZING A GROUND LEASE WITH 650 EDDY, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE PROPERTY AT 650 EDDY STREET, BLOCK 0740, LOT 45 (FORMERLY LOTS 11 AND 12), IN CONJUNCTION WITH THE CONSTRUCTION OF 83 UNITS OF VERY LOW INCOME RENTAL HOUSING; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (h)** Resolution No. 12-2007, Approving a personal services contract with Robin Chiang & Company, a California corporation, in an amount not to exceed \$72,000 to prepare a conceptual streetscape plan for a portion of the Bay Trail along Cargo Way; India Basin Industrial Park Redevelopment Project Area

Presenters: Lisa Zayas-Chien (Agency staff)

Commissioner Yee asked that the consultant team be introduced to the Commission.

Ms. Lisa Zayas-Chien of the Agency's Planning Division, introduced the members of the Robin Chiang and Company consultant team: Robin Chiang and Huzefa Irfani from Robin Chiang and Company, Architects and Planners; Chi-Hsin Shao from CHS Traffic Engineering Consulting Group; and Cathy Merrill (who had not made it yet to the Commission meeting) from Merrill Morris Partners, Landscape Architects.

Commissioner Yee stated that he thought it was a good consultant team and put forth a motion to adopt item 4 (h). Commissioner Singh seconded the motion.

Commissioner Breed stated that she could not move forward with the item without expressing her concerns about the area even though the proposed contract was a small amount, because the area was a neglected area that was primarily used for industrial uses. Ms. Breed asked if people were being encouraged to ride their bicycles to work, how they would get off Cesar Chavez Boulevard onto Cargo Way and traverse the industrial areas from other parts of the City when all that was being proposed was the improvement of just a portion of the Cargo Way artery.

Ms. Zayas-Chien stated that one of the reasons for selecting the particular consultant team was its familiarity with recent work in the area, which would strengthen and speak to Commissioner Breed's concerns. Ms. Zayas-Chien stated that KCA Engineers had been working with the Port of San Francisco and the City Attorney's Office on different issues with Port property just north of the Cargo Way area and that she believed that Mr. Chi Hsin-Shao had worked on the Illinois Street Bridge adjacent to Third Street and Illinois Street (which had bicycle lanes on it), as well as Mr. Robin Chiang had worked on a project with the new bus facility and at the Islais Creek project. Ms. Zayas-Chien stated that the consultant team was selected so that they could immediately address the issues that Commissioner Breed had brought up to create the linkages to provide both pedestrian and bicycle access through the area.

Executive Director Rosen stated that Commissioner Breed's questions also related to the broader issues of the area and staff saw the proposed contract to prepare a conceptual streetscape plan as a small piece in a much larger geography. Ms. Rosen stated that as the Commission knew, the Bayview Hunters Point Redevelopment Plan had community enhancements as one of its main goals, which included streetscape and traffic calming, pedestrian access and the Blue-Greenway Trail. Ms. Rosen stated that Mr. Tom Evans, the lead planner for the Agency, was also working on the larger planning issues for what was known as Area C of Bayview Hunters Point adjacent to the Cargo Way area, and may have additional remarks on similar planning efforts that were underway.

Mr. Tom Evans, Lead Planner for the Agency, stated that there were active planning efforts to enhance both the Bay Trail pedestrian access and bicycle access north on Illinois Street, which would be designated as a bicycle route all the way to Mission Bay, and there was actually a proposal for bicycle lanes to be striped to go all the way through the Central Waterfront area to Mission Bay where there was an extensive bicycle route already underway. Mr. Evans stated that the City's Department of Public Works had planned to stripe the bicycle lanes, but that had been held up due to litigation on the California Environmental Quality Act (CEQA) compliance. Mr. Evans stated that staff had done extensive planning for Area C around the Hunters Point Shipyard for multiple both recreational and commuter bicycle travel ways to wrap around all the way to Candlestick Point, and the proposed contract for a portion of the Bay Trail along Cargo Way was just a small link in a large plan to actually have a trail go all around the bay, and that the Association of Bay Area Government (ABAG) specifically came to the Agency for assistance in addressing one of the gaps in the Bay Trail system.

Commissioner Breed thanked Mr. Evans for the information and stated that she went to school at the University of California Davis and it was all about the bicycle lanes, and in San Francisco, especially in an industrial area such as the Cargo Way area, she was uncertain how this specific area would connect to the rest of the City. Ms. Breed stated that she was very familiar with the area, which had plenty of parking and there was now Muni light rail serving the area, so there were other transportation options and with the cold weather in San Francisco and the lack of significant jobs in the area other than the U.S. Post Office, she was a little uncertain about the future of the area.

Executive Director Rosen stated that two of the members of the consultant team had arrived at the meeting.

Ms. Zayas-Chien introduced Mr. Tom Radulovich from Livable City Planners as well as Mr. David Beaupre of the Port of San Francisco.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 12-2007, APPROVING A PERSONAL SERVICES CONTRACT WITH ROBIN CHIANG & COMPANY, A CALIFORNIA CORPORATION. IN AN AMOUNT NOT TO EXCEED \$72,000 TO PREPARE A CONCEPTUAL STREETScape PLAN FOR A PORTION OF THE BAY TRAIL ALONG CARGO WAY; INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (i) Transition Planning for the Western Addition Project Area A-2

Presenters: Gaynell McCurn (Agency staff)

Speakers: Rev. Arnold Townsend, Ace Washington

Commissioner Breed stated she was happy to have the opportunity to discuss the Western Addition as it was becoming increasingly important, because of the upcoming redevelopment plan termination in January 2009. Ms. Breed stated she would like the reference on page 6 of the Western Addition A-2 Implementation Plan corrected, because it stated a ten-year period from 2000 to 2009, and that was obviously not a ten-year period. Ms. Breed also requested staff to keep the "Project & survey Areas Community Meetings" calendar up to date with the Western Addition Citizens' Advisory Committee (CAC) meetings, particularly for March and April 2007, which were not included in the copies provided to the Commission.

Commissioner Breed stated that as far as she was concerned, the Agency was not doing a favor for the Western Addition area, and regardless of how much work and effort was done by the Agency, it would not change what had happened in the past and it would not make things better, because as far as she was concerned, the Japanese American and African American communities had been completely destroyed. Ms. Breed stated that as an Agency Commissioner, she felt obligated to do everything she could to provide the support for the community moving forward in order to hopefully, provide benefits to the particular communities. Ms. Breed stated she would like to see what the racial make-up was of the housing tenants in the Western Addition before the Agency began redevelopment and after, based upon the number of affordable and market-rate housing built. Ms. Breed stated that although staff reported that the Agency built more housing units than it tore down in Western Addition, it was important to note that housing could be replaced, but not people, and that she wanted to know what type of households lived in the housing units, including their racial make-up and income levels. Ms. Breed stated that Supervisor Mirkarimi had scheduled a hearing at the Board of Supervisors Land Use and Economic Development Committee on Monday February 12th on the

Agency's Certificate of Preference Program, and that she agreed with Rev. Arnold Townsend's comments that the Agency's Certificate of Preference Program was a joke, because the program had been around for so long and that she did not think there had been significant outreach efforts to certificate holders, most of which were her grandmother's age and were not fully aware of the program. Ms. Breed stated she would like to see information about how many certificate holders had participated in the Agency's affordable housing program and how many were still holding certificates of preference.

Commissioner Breed stated she knew there were efforts to repair the damaged artwork on the Fillmore Bridge and to possibly relocate the artwork, but that she wanted to explore other options that could include potentially, another art component, including a mosaic component or some other appropriate artwork that was not easily vandalized, unlike the Mildred Howard artwork that had been installed. Ms. Breed stated she thought the artwork should be repaired and relocated to either the Muni substation parcel or within the Fillmore Heritage project and for the Agency to maintain it, but to also look into other public art options for the Fillmore Bridge like mosaic tiles, which would be easily cleaned and less likely to be vandalized, because they would provide such an abstract look of an artistic expression.

Commissioner Breed stated she knew that funds had been allocated in the current fiscal year budget for sidewalk repairs along Fillmore Street, because some sidewalks were lopsided and in disrepair. Ms. Breed stated that the maintenance of the parking area around Safeway and the property owned by Mr. Richard Zeto was really disgusting, and that it was disappointing that the Agency would make claims of great work and award contracts, but that the Agency would allow such a disgraceful situation to continue to happen. Ms. Breed stated that she frequented the area and recalled that when she complained previously about the upkeep of the area, she did notice that the area was being power-washed in the evenings, but that recently, she had not seen anyone cleaning the area. Ms. Breed stated she hoped that the Community Benefit District that had been established would continue to maintain and improve the maintenance of the area, because she patronized the businesses in the area and enjoyed the area, but that she was disgusted every time she saw the dirty sidewalks, and that the Agency should not allow the situation to continue.

Commissioner Breed stated she would like information in writing provided to her about the \$1 million that was claimed to had been issued to the African American Art and Culture Complex formerly known as the Center for African and African American Arts and Culture.

Commissioner Breed stated that with all of the development projects that the Agency had done in the area, the Agency should think about the public housing developments right across the street from multi-million dollar, beautiful and well-done developments, because as a poor person living in the community, it was difficult to see these high-priced developments around you and not be able to avail of them. Ms. Breed stated that she brought up the issue because she wanted to let her fellow Commissioners know that as a person who was born and raised in the Western Addition, she wanted to purchase property at the Fillmore Heritage project and found out that she could not as an Agency Commissioner, and that this made her reevaluate whether or not it was more important to serve on the Agency Commission or to try and establish herself and to live the life she felt she deserved, like anyone who lived in the Western Addition. Ms. Breed stated she thought that the Agency should really think about how it developed its rules and regulations on the Commission, because she understood that Commissioners did not deserve to be treated any differently than the general public, and that Commissioners should of course recuse themselves from matters where they would have financial interest, but that she did not think it was right that Commissioners could be precluded from purchasing property like everyone else, whether the Agency was funding the development or not, and as long as Commissioners qualified and followed the rules, they should be able to.

Commissioner Breed requested a comprehensive report that provided an inventory of the housing and economic development, to be created by a dedicated staff person or consultant, and not an intern. Ms. Breed stated she was informed by members of the Western Addition CAC that an intern was working to compile information on the transition planning for the Western Addition in preparation for the expiration of the redevelopment plan. Ms. Breed stated that she planned, for the next budget cycle and staff should already be working on this, to make sure that there would be more time and effort as well as a designated staff person or consultant who would have the sole responsibility to inventory what had occurred in the Western Addition, to compile and prepare a very comprehensive report about the Agency's activities and effects on the entire Western Addition area. Ms. Breed stated she wanted the report to be well done and not treated as a side project.

Commissioner Breed stated she knew that the Agency would be developing the Central Freeway parcel at Fulton and Gough Streets, adjacent to the Performing Arts parking garage where murals had been installed, and that she wanted to know if the Agency gave its approval for the installation of the murals, because they would be obscured by the development on the adjacent site.

Ms. Gaynell McCurn, Project Manager, stated that the murals would not be completely obscured, but that she did not know if the Agency gave its approval for the installation of the murals.

Commissioner Breed stated she wanted to make sure that people who were doing public art projects be notified in writing, of potential Agency development plans that may cause problems with the arts community, artists and the fine arts folks, because as both an Agency Commissioner and a supporter of the arts, she did not want to be involved in a controversy about obscuring public art displays with Agency development projects.

Executive Director Rosen stated that staff would find out about the history of the site, but that the Agency only recently owned the property, which was a part of the former Central Freeway, which was owned by the State and recently conveyed to the City, and the Agency would not have known of any development plans adjacent to the parking garage.

Commissioner Breed stated that an item regarding the development of the 1345 Turk Street project was listed on the Agency's forward calendar for the February 20th Commission meeting, but it did not identify who the developer was, and asked if staff would be making a recommendation to the Commission, because she knew that the CAC recommended a different developer than did the evaluation panel.

Ms. Rosen stated as the Commission knew, there was a competitive developer solicitation and the CAC also heard the matter at its last meeting, and the matter would be before the Commission to select a developer. Ms. Rosen stated that staff would not be making a recommendation to the Commission and would put all of the facts before the Commission for its consideration.

Commissioner Breed stated that the other matter she wanted to inquire about was the mini-park adjacent to the Muni substation parcel owned by the San Francisco Recreation and Parks Department, but that they did not do a very good job of taking care of the mini-park, and asked if there was any way for the Agency to acquire the mini-park property and to include it in the development opportunity for the Muni substation parcel, or perhaps look into options of developing the mini-park parcel.

Ms. Rosen stated that she would look into the matter, but that she understood that the mini-park was formerly Agency property that was deeded to the City's Recreation and Parks Department, long before the Agency took ownership of the adjacent Muni substation property.

Commissioner Breed stated she believed that it would be a good idea to aggregate the adjoining parcels to have a major cultural use surrounded by the existing housing developments that may be of great benefit to the community, because the mini-park was clearly underutilized and not well taken care of.

Commissioner Breed stated that her final request was for the Commission to consider passing a resolution urging the Mayor to form a task force that would explore to take into consideration the African American population in San Francisco as an endangered species, and would also look into opportunities to develop and attract middle-class African Americans back to San Francisco, primarily based upon a lot of the damage that had been done in the past, specifically as a result of redevelopment activities. Ms. Breed stated she thought that the Commission should pass such a resolution and maybe have a workshop to discuss the matter. Ms. Breed stated that every time she attended public events and heard speeches by mayors and elected officials who always talked about San Francisco's diversity and touted San Francisco as an inclusive city, she felt disturbed that what people did not know was that San Francisco's makeup was changing considerably, and that she was really disappointed that a lot of middle class African Americans chose to live in the East Bay over living in San Francisco. Ms. Breed stated she thought that San Francisco was not only starting to lose middle class African Americans to other Bay Area cities, but with all of the problems that seem to plague some of the poor areas in San Francisco with a large population of African Americans, the City was losing people in so many other ways. Ms. Breed stated she thought this was a matter that the Agency should look into seriously, because of the ills of the Agency and the negative stigma upon the Agency, and that she believed this was the Commission that could change all that, just by looking into the facts and to determine if the suggested resolution was an appropriate step to take.

Commissioner Covington stated that the Western Addition was near and dear to her heart and that she wanted the Agency to do the most it could and the best it could by January 1, 2009. Ms. Covington stated that although some people may get tired of hearing about the history of the Western Addition and how the community was harmed and may suggest getting over that, the community would never get over and forget what had happened, and it may take 10 to 12 generations even before the community would stop talking, but that the community would never get over the destruction of the community. Ms. Covington stated the loss was not limited to the Western Addition, and the African American community, but also a loss to the City, State and the nation. Ms. Covington stated that as an Agency, she would like to see the Agency do as much as it could before January 1, 2009. Ms. Covington asked how many undeveloped parcels remained in the Western Addition Project Area.

Ms. McCurn stated that the following parcels remained undeveloped: Central Freeway Parcel C because staff was still negotiating with the developer, 1210 Scott Street, which was the property next to the Jewish Community High School of the Bay, 1345 Turk Street, and the Muni substation parcel.

Commissioner Covington stated she went on an extensive tour of the Western Addition Project Area a couple of weeks ago with Ms. McCurn, Executive Director Rosen and Commission Secretary Erwin Tanjuaquio, and that she was heartened by what she saw and that she wished there was a lot more of it. Ms. Covington stated they had a hard-hat tour of the Fillmore Heritage project and the views from the upper floors were spectacular, the units were large and the space for Yoshi's looked as if it was going to be fabulous, and that she was happy that the Agency had the jazz center parking garage. Ms. Covington stated that for more than eight years, she served on the Japantown parking garage board of directors and she knew that a lot of revenue could be generated by parking garages, and asked how many parking stalls would be in the Fillmore Heritage parking garage and what the projected revenue was for the garage. Ms. Covington asked what would happen to the money generated from the garage.

Ms. McCurn stated there would be 111 parking stalls and she would have to get the information about the projected revenue from the garage.

Ms. Rosen stated staff would provide the projected revenue information to the Commission. Ms. Rosen stated that the CAC had taken a strong interest in the parking revenue issue and was discussing various proposals, and they had started to discuss a proposal whereby a percentage of the revenue would go, in perpetuity, to dedicated economic development and cultural enrichment of the lower Fillmore district, which would be administered in a public fashion, either by the Mayor's Office of Community Development or potentially by the Community Benefits District and that had not yet been refined, but that there would be a dedicated revenue stream available to fund economic development and enhance the cultural district. Ms. Rosen stated she believed that the CAC would discuss the idea further and that it had discussed coordinating the idea with the Japantown garage, which had many more parking stalls, about 900 spaces, to be available to have shared valet parking and access to large events. Ms. Rosen stated she hoped to have more information for the Commission in about a month following the Cad's deliberations.

Commissioner Covington asked if a board of directors would be formed for the Fillmore Heritage parking garage, and if so, when.

Ms. Rosen stated that what was under discussion at the present time was to expand the existing Japantown garage board of directors that would include Fillmore Jazz District representation and would be under a single management for the operations of both garages. Ms. Rosen stated she believed that the CAC wanted to discuss the proposal again in March, which would be brought back to the Commission thereafter.

Commissioner Covington stated that again, the Agency had to expedite some things because a lot of decisions had to be made, some entities had to be developed and established and if the jazz center was scheduled to open in eight months, the Agency needed to get moving with whatever the plans would be for the revenue stream that would go back to the community.

Ms. Rosen stated that staff was aware of the timelines, and that she thought the CAC had a proposal that addressed the public policy concerns that Commissioner Covington had raised, and staff was hopeful of getting to closure on the matter quickly.

Commissioner Covington stated that in visiting the Muni substation, she thought that was a tremendous development opportunity and that she would like the Agency to do its best thinking about what could happen so that it could happen under the aegis of the Agency before the Mayor's Office of Community Development stepped in. Ms. Covington stated the Muni substation was a gorgeous building and that there were so many opportunities that could come to fruition and that she agreed with Commissioner Breed that if the adjacent mini-park could be deeded back to the Agency and incorporated in the Muni substation plans, and become a very valuable entity for the community.

Commissioner Covington referred to Rev. Arnold Townsend's testimony about the certificate holders, and that she thought the certificates of preferences could be inherited and were being inherited.

Ms. Rosen stated that the certificates themselves were not a property interest that could be inherited, but what the Commission did in 1999 was to expand the certificate of preference program so that all members of the household that were displaced could get separate certificates, and the Agency did in fact have a number of adult children of households that were displaced who had been given their own certificates. Ms. Rosen stated that had been the process for expanding the program and that the Agency had also required from the time of the establishment of the program to the present, that the Agency had mailed to all of the certificate holders addresses that it had, every time there was housing development either funded by the Agency or approved by the Agency on a disposition of land that the Agency had or within the Western Addition or the Bayview Hunters Point Project Areas. Ms. Rosen stated the Agency had done mailings to certificate holders to inform them of those housing opportunities and that she believed that over 1,500 certificate holders had taken advantage of the program over the years. Ms. Rosen stated that while it was disappointing that the Agency had not been able to serve everybody that was displaced, which was certain a harm that was done in the past, the Agency continued to keep updating the list and identify certificate holders and keeping everyone informed.

Commissioner Covington asked if the Agency had done advertising.

Ms. Rosen stated that the Agency had done advertising in the past and that she was working with staff on a proposal for an additional outreach campaign to find people whose mail was returned with no forwarding addresses. Ms. Rosen stated that in 1999 when the program was expanded, there was an outreach effort with leaflets, advertisements and presentations at some of the community churches in the Bayview and the Western Addition, and the expanded outreach campaign that she had asked staff to work on would help the Agency get the list as complete as it could and make the housing opportunities known and available.

Commissioner Covington stated she thought that was very necessary because this was the Agency's last chance to include people who were most directly harmed by the policies of the Agency in the past, so it was imperative that the Agency do all it could to get in touch with those certificate holders. Ms. Covington stated she would like the outreach plan to be as detailed as possible and that she would like to see the plan in the next three weeks.

Commissioner King stated that it was disappointing that there were no community members at the meeting other than Rev. Townsend and Mr. Ace Washington. Mr. King stated that Commissioners Breed and Covington had a lot to say, but without community involvement, the Commissioners could debate all night long and it would not do any good. Mr. King stated he was glad that Supervisor Mirkarimi had scheduled a hearing on the Agency's Certificate of Preference Program and that he agreed that the program was a joke. Mr. King stated that it was the late Mary Rogers who made the Agency stick to the program, but that there were not a lot of certificate holders left and even though the Executive Director stated that the program was expanded to other members of displaced households, they could not afford to live in the newly developed housing units. Mr. King stated he did not know who could afford to live at the Fillmore Heritage project much less certificate holders would not be able to afford even the affordable units. Mr. King stated that everyone in the meeting room was from the agency staff and no community members, and the Commission meeting was more like an Agency staff meeting and not a community meeting. Mr. King asked if staff made any efforts to notify the community of the Commission meeting.

Ms. Rosen stated she understood Commissioner King's frustration, but that she thought one of things that had changed since had been at the Agency was that the CAC was taking a role of having community meetings and convening their own discussions and they were attracting more members of the public to their meetings. Ms. Rosen stated that in the past, before there was a CAC, the Agency may have seen more community attendance, but that now, she thought that the public was participating in more the open-

ended discussions that took place at the subcommittee and full CAC meetings. Ms. Rosen stated that Ms. Gaynell McCurn informed her that there were more than 40 people in attendance at the CAC meeting when the transition plan for the Western Addition was discussed and that there was a lot of interaction with members of the CAC and the community. Ms. Rosen stated that staff would redouble its efforts on community outreach and that she thought there was a lot of participation at the community level through the CAC meetings. Ms. Rosen stated that as a partial response to a point that Commissioner Covington raised, staff was working very hard to try to address two of the directives from the Commission: one, to get as much done as expeditiously as possible, and two, to have as much community consensus and discussion at the community level before items were brought to the Commission. Staff was trying to balance those things, and many items were under discussion for a long period of time at the CAC.

Commissioner King stated he disagreed because even with all of the Project Area Committees (PAC) and CACs, there were still a lot people who attended the Commission meetings and the various community organizations used to bring people out to the meetings. Mr. King stated that the Agency paid these various community groups to bring people out to the Commission meetings and there was something wrong when people no longer came to the Commission meetings. Mr. King stated he was planning to attend the Board of Supervisors Land Use Committee hearing on the Agency's Certificate of Preference Program and that he agreed with what Commissioners Breed and Covington were saying that there were not enough people involved in the process. Mr. King asked who many people were notified of the Western Addition transition planning workshop.

Ms. McCurn stated she did not do a separate noticing of the Commission workshop because on the previous Thursday, the matter was on the CAC agenda and it was also on the CAC's January agenda.

Commissioner King stated he did not know why Agency staff could not get people to come to the Commission meetings because there used to be hundreds of people attending the Commission meetings years ago. Mr. King stated he noticed there was no one from the Bayview and that Commissioners had said that this was not just a Western Addition issue, but a citywide issue and there should be more members of the public in attendance. Mr. King stated that was why he wanted to attend Supervisor Mirkarimi hearing because the Board of Supervisors was the governing body of the Redevelopment Agency and it could eliminate the Commission if the Agency was not doing its responsibility to get people involved. Mr. King stated he was glad that Commissioner Covington went on a tour of the Western Addition and asked the Executive Director if she had offered to tour other Commissioners and if the Commission President had gone on a tour.

Ms. Rosen stated that staff would always be available at a Commissioner's request to tour any project area.

President Peterson stated he had gone on other tours previously, but not on the recent tour of the Western Addition.

Commissioner Covington stated she had visited every project area that the Agency had, which was her goal when she was first appointed to the Commission, and the Western Addition was the last tour she had gone to, and that she requested the tours and had informed the Executive Director and staff that she would be visiting project areas at least once every quarter. Ms. Covington stated that was just her way of being informed of the progress that the Agency was making in the project areas.

Commissioner King stated that he disagreed because Commissioners used to get on a bus and tour the project areas as a Commission and receive the same information without each Commissioner going in different directions.

Commissioner Covington stated there was nothing that precluded Commissioners from getting on a bus and touring the project areas.

Commissioner King reiterated that he was very disturbed that there were no community members in attendance and that he blamed staff for not getting the community more involved on a very important matter such as the transition planning for the Western Addition, which was the first community that was destroyed by redevelopment activities.

Commissioner Romero thanked Ms. McCurn for an excellent and informative presentation. Mr. Romero stated that Commissioners had different perspectives depending on their tenure on the Commission, and that he did not know why people were not in attendance and would not speculate as to why, but that this was a very important workshop on the transition plan to wind down the Western Addition project, and that his perception during the last nine years on the Commission was that the Western Addition community had been the most involved in the Commission's business and had the most presence at Commission meetings and was not at all bashful about sharing its views. Mr. Romero stated the lack of attendance at the Commission meeting was a little surprising, but because the CAC was very active, he was certain that a lot of people had been diverted, and as the transition plan was further developed, he was sure that there would be more participation from the community. Mr. Romero stated he knew that the staff was always responsive to the community's concerns and believed that there would be more involvement as the specific details of the transition plan was developed. Mr. Romero stated he heard a lot of good ideas and hoped they would be refined and focused so that things

would be done positively. Mr. Romero stated that in defense of Commissioners that had come and gone, he thought that the Commission had been very supportive of the Western Addition's projects and getting them done, and the Fillmore Heritage project was an excellent example, because the land sat empty with a previous developer for 11 years until the Commission selected the present developer to develop the parcel. Mr. Romero stated there were other examples and that the Agency had positive successes in recent years, which he hoped that staff and prior Commissioners including present Commissioners would get the credit someday, and that the transition plan should focus on a realistic plan with the resources available on important community matters. Mr. Romero stated he was glad to hear Rev. Townsend clarify his earlier remarks because he knew that Rev. Townsend did not intend that any of the present Commissioners or even some of the recent ones as people who destroyed a way of life in the Western Addition, because from his point of view, the Commission he had been a part of for the past nine years, had actually attempted to do the reparations that had been suggested and if one looked at the matters that the Commission had voted on for the Western Addition, one would see very positive things with virtually unanimous support even with some hard debate and supported by the community. Mr. Romero stated he wanted to give credit to staff because it had been a difficult job of meeting the community's needs and staff had done a lot of good work and not always received the credit it deserved. Mr. Romero stated that there was a lot more work to do and hoped that everyone could unite and work toward accomplishing what needed to be done and not dwell on what happened 25 years ago and not because people were tired of hearing about it, but that it was important to put emphasis on what the current reality was and to focus on the positive things and to try and do as much good as the Agency could for the community with the remaining time and available resources. Mr. Romero stated he looked forward to seeing more details about the transition plan and hoped for more community involvement.

Commissioner Breed stated she wanted to make a correction to her earlier suggestion to pass a resolution to create a task force to investigate the loss of African Americans in San Francisco, to include Japanese Americans because they were also displaced as a result of redevelopment activities. Ms. Breed stated that since the CAC meetings were held at her office, she could attest to the fact that the meetings were well attended with large crowds and intense discussions, and that she was honestly happy that the CAC was there because it provided a forum to fully vet community issues and assisted in providing so much information, which spared the Commission from being deluged with many requests, but that she thought that the Commission workshop should have been communicated to the CAC and the community that this was an agenda item. Ms. Breed stated that it was important for the CAC to have the transition plan calendared as a regular item at every meeting, because the whole point of establishing the

CAC was to provide the Agency with support and advice on Western Addition activities, but also to provide community feedback as to what they wanted to see in the transition plan. Ms. Breed stated that this was very important to her because she took the CAC's advice very seriously and that she appreciated their hard work because they spend a tremendous amount of time attending meetings and dealing with so many different issues and continued to be very committed. Ms. Breed stated she had received a lot of feedback about the Agency's Affordable Housing Program and how complicated and unrealistic it was, but that she had also received a lot of great feedback about the program and how people had availed of housing opportunities. Ms. Breed stated she would like to have workshop on the Agency's Affordable Housing Program and how it worked and that she would like background information on the program to review because based upon the verbal explanations she had heard, she thought there could be ways to possibly amend some of the program language and elements to make it easier to attract a broader range of people to participate in the program, and that she would like the workshop scheduled sooner rather than later.

Executive Rosen stated that for clarification, the CAC was informed of the Commission workshop at the CAC meeting when they discussed the matter and that the item was calendared for their next meeting and that they were seriously taking Commissioner Breed's advice to continue discussion on the transition plan on an ongoing basis.

4 (j) Review of 2006 significant projects

Presenters: Benjamin Ibarra (Agency staff)

President Peterson commended Agency staff for taking criticism well and stated that it must be very nice when staff considered all of the accomplishments during the course of the last year and staff must feel good about that. Mr. Peterson stated that as the staff and Commission went through the arduous and sometimes acrimonious process of redevelopment, it was good to reflect upon last year's accomplishments and be reminded of the achievements.

Commissioner Romero thanked Mr. Benjamin Ibarra for a good presentation and welcomed him to the Agency and stated that it was good to have a staff person who grew up in a project area that brought a unique perspective. Mr. Romero stated that he would keep the slide presentation materials on the Agency's accomplishments as part of his Agency Commission memoirs, because it was good to hear about the very positive achievements the Agency had made as it continually heard complaints. Mr. Romero stated that the presentation was very informative and it was too bad that there were no members of the public to see it, but that he hoped the presentation would become an annual event to update the public and the Commission.

Commissioner Singh thanked Mr. Ibarra for an excellent presentation and welcomed him to the Agency. Mr. Singh stated that he was also concerned with the community participation because there was no one from the community attending the Commission meeting.

Commissioner Breed stated that at the previous Commission meeting, she requested a performance review of the Executive Director, which was not based on what people might think, but more so based on the presentation of significant accomplishments and that the Executive Director and staff was acknowledged and appreciated for the hard work that they did. Ms. Breed stated that the staff was to be commended for maintaining a good attitude with all of the Commission's requests and that it was obvious that staff enjoyed their jobs as well as the Executive Director who continued to be diligent and responsive to Commissioners' concerns. Ms. Breed stated that she thought it was important to share the information about the Agency's accomplishments with the public and that it was important to talk about the Agency's achievements. Ms. Breed thanked staff for the excellent presentation and stated that she like the way it was presented and enjoyed the beautiful photographs of Agency projects. Ms. Breed stated that she was looking at a broader perspective with a large constituent that she had to answer to and that she knew that staff brought a lot of heart and soul in doing their jobs and that she really appreciated all of the hard work that staff did. Ms. Breed encouraged staff to keep up the good work, but to also keep in mind that the Agency was dealing with people's lives and that the Agency's work affected the lives of many people. Ms. Breed stated that as she looked at photographs of the Museum of the African Diaspora and the model of the Contemporary Jewish Museum, she could see the possibilities and the excitement around it, as well as the Plaza Apartments, which she drove by regularly to enjoy the beautifully designed building and the happy people who are living in it, and remarked to staff, "job well done."

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Ace Washington

7. **REPORT OF THE PRESIDENT** None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Mayor Newsom's town hall meeting in District 10, Saturday February 10th at 10:00 a.m., Whitney Young Child Development Center, 100 Whitney Young Circle. The focus of the town hall meeting would be the Mayor's Communities of Opportunities program. Ms. Rosen stated she would be attending with Agency staff as well as other City department heads.
- Board of Supervisors' Land Use and Economic Development Committee meeting on Monday February 12th at 3:30 p.m. for a hearing on the Western Addition and the Agency's Certificate of Preference Program.
- Ms. Rosen reported that at the February 5th Board of Supervisors' Land Use and Economic Development Committee, it heard a resolution authored by Board President Aaron Peskin and Supervisors Bevan Dufty and Sophie Maxwell, urging the Agency, Lennar and the Mayor's Office to work toward an integrated development of the Shipyard and Candlestick, including a proposal for a 49er stadium at the Shipyard. That resolution was passed by the committee and was scheduled to be heard at the full Board of Supervisors meeting on Tuesday, February 13th.
- The Bayview integrated development topic was also scheduled to be discussed at a joint meeting of the Shipyard CAC Executive Committee and a committee of the Bayview PAC on Thursday February 8th at 6:00 p.m. at the trailer inside the Shipyard. The matter would be discussed and considered by the full Shipyard CAC at a future meeting.
- Agency Commission workshop at its February 20th meeting to discuss the Bayview integrated development concept, which would be presented by Mr. Michael Cohen, Director of the Mayor's Office of Base Reuse and Development.
- Informational memorandum re: 1210 Scott Street – At the Commission's direction, the Western Addition CAC had been considering the recommended use for 1210 Scott Street, and decided at their last meeting to support a proposal by the Jewish Community High School of the Bay to propose a land exchange. Ms. Rosen stated that if the Commission wanted to discuss the matter, she would suggest that the Commission calendar a closed session item to instruct the Agency's property negotiators.

- Informational memorandum re: Litigation between Gateway Construction and Sheba Lounge, which was proposed for settlement. Ms. Rosen stated that staff believed this was a good settlement and unless the Commission directed otherwise, she would execute the settlement on the terms set forth in the memorandum, which was essentially a settlement of agreed upon amount of prevailing wages due, for which the Agency had previously agreed to fund a loan. The claim would be dismissed, and each party would bear its own attorney's fees and costs. Ms. Rosen stated that she had informed Sheba Lounge through the General Counsel that the Agency would consider any potential adjustment in their loan terms after the settlement was concluded, and that she believed there would likely be such a proposal from Sheba Lounge.

Commissioner Singh asked how much money was involved in the proposed settlement.

Ms. Rosen stated that the dispute was between the construction company, Gateway Construction and Sheba Lounge as to the amount of prevailing wages and the amount that they had settled on was \$95,000, which would be paid to the workers who worked on the project.

At this time, approximately 7:15 p.m., President Peterson departed the meeting. Vice-President Covington presided over the remainder of the meeting.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington stated she wanted to publicly congratulate Commissioner Breed who, a couple of weeks ago, was elected as a delegate for the State of California Democratic Central Committee.
- Commissioner Breed stated she would support putting the 1210 Scott Street matter for closed session at the February 20th Commission meeting. Ms. Breed stated that with regard to the Sheba Lounge matter, she would recommend the Executive Director to execute the proposed settlement agreement.
- Commissioner Romero stated that he agreed with both of Commissioner Breed's suggestions, but that he wanted clarification on the Sheba Lounge matter, and asked if the Agency was a party to the litigation, because he did not recall prior discussion on the proposed settlement.

Executive Director Rosen stated that there was a closed session meeting, but that Commissioner Romero may not have been in attendance when the Commission discussed the pending litigation in the Sheba Lounge matter.

- Commissioner Romero requested verification that the possible loan term adjustment for Sheba Lounge mentioned by the Executive Director, was a completely separate matter and not a part of the settlement agreement and would not commit the Agency to anything, and that he hoped that there had been no oral commitment to that effect.

Executive Director Rosen stated that the only thing communicated to Sheba Lounge regarding any loan term adjustment would come to the Commission for its consideration.

- Commissioner King referred to a letter from a member of the community alleging that Commissioner Covington recommended against contracting with Radio Station KPOO, and asked what that was all about.
- Commissioner Covington stated she had asked the Commission Secretary who was negotiating the contract with KPOO to include other opportunities for the Agency to get its information out, because the Agency was KPOO's primary source of revenue and the Agency paid to be on KPOO's radio broadcast, and that she wanted to make sure that the Agency got more bang for its buck because the rates were going up. Ms. Covington stated that she never suggested that another radio station be used other than KPOO, because there was no other radio station that did what KPOO did, and that she had always supported KPOO. Ms. Covington stated that she was amazed the way rumors began totally without substance and totally without merit, and that she had the point of view that people just created things in their minds. Ms. Covington stated that as far as she was aware, the Commission Secretary was the only one negotiating the contract and that she was never involved with the negotiations. Ms. Covington asked the Commission Secretary if he had ever heard Ms. Covington say anything untoward about KPOO.

Commission Secretary Erwin Tanjuaquio stated that to his recollection, he had not heard Commissioner Covington say anything untoward about KPOO.

- Commissioner Covington stated that there was another rumor alluded to in the letter that she stormed out of the meeting and did not vote on an item because it was not going her way. Ms. Covington stated that she thought she was one of the most even tempered Commissioners on the Commission.
- Commissioner Singh stated that he wanted everyone to know that he strongly supported KPOO. Mr. Singh requested verification that the Commission Secretary negotiated the KPOO contract because he thought Agency staff negotiated contracts.

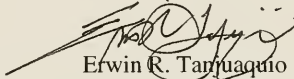
- Commissioner Covington stated that the Commission Secretary negotiated the KPOO contract at the direction of the Executive Director.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:29 p.m.

Respectfully submitted,



Erwin R. Tanguino
Agency Secretary

APPROVED:

February 20, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
20TH DAY OF FEBRUARY 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of February 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Joanne Sakai, Acting Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE FEBRUARY 6, 2007 COMMISSION MEETING

Items 3 (a) and (b) were presented together and acted upon separately.

- 3 (a)** Resolution No. 9-2007, Public hearing authorizing a Disposition and Development Agreement with BRIDGE Tower, LLC, a California limited liability corporation, for the development of 124 units of low-income and moderate-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program
- 3 (b)** Resolution No. 10-2007, Authorizing an Amended and Restated Tax Increment Loan Agreement with BRIDGE Tower, LLC, a California limited liability corporation, in an amount not to exceed \$20,543,329, for a total aggregate amount not to exceed \$29,508,183, for the development of 124 units of low- and moderate-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenters: Pam Sims (Agency staff), Carol Galante (BRIDGE), Kevin Wilcock (David Baker Architects)

Speakers: Angelo King

Commissioner Breed stated that she would concur with Mr. Angelo King's request for an update on the number of jobs created and local employment and contracting on various development projects in the Bayview. Ms. Breed requested staff to follow up with Mr. King and put forth motions to adopt items 3 (a) and (b).

Commissioner Romero seconded Commissioner Breed's motions to adopt items 3 (a) and (b).

Commissioner Covington asked what the width of the townhouses was.

Mr. Kevin Wilcock, project architect, stated that the units were 16 feet wide with a depth of 38 feet.

Commissioner Covington stated that most San Francisco lots were 25 feet wide and asked how the architect arrived at the 16-foot wide units. Ms. Covington asked what the timeline was for the senior housing component and asked how many units were planned.

Mr. Wilcock stated that the 16-foot width was based on previous projects they had done before and on functional floor plans. Mr. Wilcock stated that they had just been informed that the project had received Housing and Urban Development (HUD) financing and that they were in the process of hiring consultants and developing the design and working drawings.

Ms. Pam Sims, Development Specialist, stated that staff anticipated bring before the Commission a permanent funding request in the summer of 2008. Ms. Sims stated that because the project was HUD financed, there were a lot of steps to be taken before actual construction would begin. Ms. Sims stated that there would be 132 senior housing units.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 3 (a) RESOLUTION NO. 9-2007, PUBLIC HEARING AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH BRIDGE TOWER, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, FOR THE DEVELOPMENT OF 124 UNITS OF LOW-INCOME AND MODERATE-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 3(b) Resolution No. 10-2007, AUTHORIZING AN AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT WITH BRIDGE TOWER, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, IN AN AMOUNT NOT TO EXCEED \$20,543,329, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$29,508,183, FOR THE DEVELOPMENT OF 124 UNITS OF LOW- AND MODERATE-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of February 6, 2007

4 (b) Resolution No. 13-2007, Authorizing a Third Amendment to the Agency's master lease with the United States Department of the Navy to extend the term through December 31, 2007 and revise the premises covered; Hunters Point Shipyard Redevelopment Project Area

- 4 (c)** Resolution No. 14-2007, Authorizing a Second Amendment to the amended and restated Hunters Point Shipyard sublease agreement with Patterns Limited, Incorporated, a California corporation, doing business as The Point, to extend the term of the sublease through December 31, 2007 and revise the premises covered; Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a), APPROVAL OF MINUTES: MEETING OF FEBRUARY 6, 2007, 4 (b) RESOLUTION NO. 13-2007, AUTHORIZING A THIRD AMENDMENT TO THE AGENCY'S MASTER LEASE WITH THE UNITED STATES DEPARTMENT OF THE NAVY TO EXTEND THE TERM THROUGH DECEMBER 31, 2007 AND REVISE THE PREMISES COVERED; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, AND 4 (c) RESOLUTION NO. 14-2007, AUTHORIZING A SECOND AMENDMENT TO THE AMENDED AND RESTATED HUNTERS POINT SHIPYARD SUBLEASE AGREEMENT WITH PATTERNS LIMITED, INCORPORATED, A CALIFORNIA CORPORATION, DOING BUSINESS AS THE POINT, TO EXTEND THE TERM OF THE SUBLEASE THROUGH DECEMBER 31, 2007 AND REVISE THE PREMISES COVERED; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (d)** Resolution No. 15-2007, Authorizing an Exclusive Negotiations Agreement with either Michael Simmons Property Development, Inc. or Em Johnson Interest, Inc. and HSM Realty Finance Management, Inc. (collectively "Turk Street Development Consortium, LLC") (to be formed) for the development of 32 units of low-income first-time ownership housing, 1345 Turk Street, Block 756, Lot 001, Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenters: Michele Davis (Agency staff), Michael Simmons (Michael Simmons and Company), Todd Clayter (Em Johnson Interest), Kelly Dearman (HSM Realty Finance Management, Inc.)

Speakers: Gus Harput, Sheryl Davis, Shanell Williams, Mrs. Vallarga-Walsh, Noni Richen, Adrian Williams, Wade Woods, Rev. Edgar Boyd, Derf Butler, Charmaine Curtis, Joe Skiffer, Ace Washington, Randall Evans, Leola King, Charles Spencer, Rev. Arnold Townsend

Commissioner Breed stated that it was sad that African Americans especially in the Western Addition did not see having three African American Commissioners who were all from the community, and still felt the need to throw considerable accusations at the Agency, and although there were past problems with the Agency's history in the Western Addition, now was not the time to throw blame, rather it was the appropriate time to utilize the resources available to come up with solutions for the community. Ms. Breed stated that her preference would be that solutions be brought to the Commission rather than a lot of accusations and negative comments. Ms. Breed stated that as far as the Citizens' Advisory Committee (CAC) process was concerned, many members of the CAC were recommended by her and if any member of the CAC had recommendations they were more than welcomed to do so. Ms. Breed stated that for example, the Commission took very seriously the recommendations from the Japantown Task Force as well as other community groups. Ms. Breed stated that she would suggest the community taking advantage of what was available and not continue to create chaos when it was not necessary. Ms. Breed stated that she was concerned that in the staff report, it stated there was a member of the Agency's Contract Compliance Division in the evaluation panel, but that the staff person was not a voting member, and asked for an explanation.

Ms. Michele Davis, Development Specialist, stated that the Contract Compliance staff was there to evaluate the proposals to ensure compliance with the Agency's Contract Compliance requirements.

Commissioner Breed asked why there were three members of the Agency's Housing Division on the selection panel.

Ms. Davis stated that she presumed there were three members of the Agency's Housing Division on the selection panel because it was the Housing Division that generated the offering.

Commissioner Breed stated that her concern was not the process itself, but that when she looked at the close scoring from members of the selection panel and then the other scores were extreme, which made her wonder where some of the scores came from because she was getting conflicting information from members of the CAC. Ms. Breed asked Ms. Davis for her perspective on some of the concerns around the selection process that had come up with the CAC, because members of the CAC had expressed concerns with the selection panel and it was not clear on the score sheets as to who made the scores, and that her concern was that she understood that the two members of the CAC each selected a different developer. Ms. Breed asked if Ms. Davis had participated in the CAC meetings when the 1345 Turk Street project was discussed.

Ms. Davis stated that she participated at each of the CAC meetings when the 1345 Turk Street project was discussed, specifically the selection process and when the development proposals were made.

Commissioner Breed stated that she wanted to know the feedback from the CAC because there were no minutes of the CAC meeting provided to the Commission.

Ms. Davis stated that she would defer the question to the chair of the CAC, Rev. Arnold Townsend.

Commissioner Breed stated that she understood that the CAC's vote was 9 to 4 for the Turk Street Development Consortium's proposal, but that she wanted to know the rationale behind the CAC choosing to reject Agency staff's recommendation, because she understood that the concern had something to do with the selection panel.

Rev. Arnold Townsend, chair of the Western Addition CAC, stated that some of the reasons included women developers, community outreach, past experience of the developer. Rev. Townsend stated that for example, there were two members of the CAC that lived close to Michael Simmons' other projects, and their positive experience and relationship caused them to support his proposal, and that the other members of the CAC made their decisions based upon their experience and knowledge of the other developer. Rev. Townsend stated that one member of the CAC who was on the selection panel, Mr. George Smith, was not able to attend the Commission meeting because of family matters, stated that Agency staff seemed to be weighted towards one of the particular developers, and that when the meeting first started (while Rev. Townsend was not in the room), apparently, Agency staff had made disparaging remarks about one of the developers in front of the evaluation panel, which Mr. Smith thought was unprofessional, remarks such as one of the developers always deflated his costs and would estimate low and would come back to request more money. Rev. Townsend stated that as far as the fairness and openness of the process, from the CAC's perspective, the CAC members on the selection panel were both independent people, but that they both felt there was some unfairness on the part of Agency staff.

Commissioner Breed stated that on the comparison chart for the proposals, the Turk Street Consortium indicated that they had previously worked with the Mayor's Office on Disability and there was no comment under the Michael Simmons team, and asked for clarification.

Ms. Davis stated that was not a discrediting factor in the evaluation of the proposals.

Mr. Michael Simmons stated that he thought the question was if the project architect had previously worked with the Mayor's Office on Disability, and the answer was yes, the architect as well as he had previous experience working with the Mayor's Office on Disability.

Commissioner Breed asked Mr. Simmons how he arrived at the extremely low homeowners' association dues for his proposal, and asked if those dues would be maintained throughout the 42-year affordability period.

Mr. Simmons stated that his homeowners' dues were between \$150 to \$250 per unit and Mr. Michael Johnson's proposal had homeowners' dues that were between \$250 and \$350 per unit. Mr. Simmons stated that the reason for the difference was because they had differing project styles that would affect the homeowners' dues and one of the reasons was that their development would not have common corridors and another was that they would not have an elevator going up to the fourth floor as well as other factors that had lower maintenance costs.

Commissioner Breed requested verification that Mr. Simmons' Bell Mews project came in on time and on budget or if it came under budget. Ms. Breed asked if Mr. Simmons took into consideration the weather and sun exposure in his design.

Mr. Simmons stated that the Bell Mews project came in on time and exactly on budget. Mr. Simmons stated that the proposed development was south facing and that sunlight would come into the courtyard and that since this was his third project on Turk Street, he was quite familiar with how Turk Street worked.

Commissioner Breed asked why the homeowners' dues were higher on the Turk Street Development Consortium's proposal.

Mr. Todd Clayter from the Em Johnson Interest, stated that under their program, they calculated the homeowners' dues and estimated the costs based upon the overall affordability of the units.

Commissioner Breed stated that she had heard concerns that the homeowners' dues were high for affordable housing units.

Mr. Clayter stated that their development proposal had more common areas for the units within a double-loaded corridor design with a courtyard, but that they had larger units that would not have 200 or 300 square feet of stairs that would not be usable.

Commissioner Breed asked if the Fillmore Heritage project budget, based on the estimate in the Request for Proposals, had been exceeded.

Mr. Clayter stated that the \$72 million development cost for the shell and core of the Fillmore Heritage project was accurate and the costs had not been exceeded.

Commissioner Breed asked if both proposals were deemed feasible given the square footage of the units and the number of parking spaces provided, because she was concerned that there were too many parking spaces being squeezed into a small parcel of land. Ms. Breed stated that she wanted to know if the square footages and parking spaces were realistic.

Mr. Gabriela Cardona, Architectural Associate, stated that both proposals were deemed feasible and they both met the redevelopment plan requirements as well as the RFP criteria. Ms. Cardona stated that the square footages and parking spaces for both development proposals were realistic.

Commissioner Romero stated that he always listened carefully when Rev. Edgar Boyd addressed the Agency Commission and that he agreed with Rev. Boyd that both development teams were to be respected. Mr. Romero stated that Michael Johnson had been before the Commission on several important development projects in the past and that Mr. Romero had always supported Mr. Johnson's projects, including the Third and Mission project where the St. Regis Hotel now stood, because he liked the idea of supporting a minority developer doing a project like that, and although Mr. Johnson did not get that project, he did not give up and came back before the Commission on a housing project on Site X in Bayview, and obviously the Fillmore Heritage project, which was a difficult and complex project and the Commission gave Mr. Johnson the support necessary to complete the project. Mr. Romero stated that he had nothing but respect for Mr. Johnson and that he also wanted to say the same thing about Mr. Michael Simmons' development team. Mr. Romero stated that he had looked at Mr. Simmons' experience and his competency was obvious, and the fact that both of the development teams were so equally deserving was reflected in the scoring of the evaluation panel, which was very close given that out of a possible score of 700, the score was 674 to 661 in Mr. Simmons' favor. Mr. Romero stated that the biggest range and difference from any one reviewer was only 7 points difference out of 100, which was an indication of how close the scoring was. Mr. Romero stated that the scoring by the evaluation panel did not turn into a staff recommendation to the Commission and the tough decision was left up to the Commission. Mr. Romero stated that Commissioner Breed asked a lot of detailed questions, but that even with all of his experience on the Commission he was not in a position to second guess the decisions of the people on the selection panel. Mr. Romero stated that with two qualified developers for the project there would not be a 100%

objective outcome in the selection, and one would have to look for blatant subjectivity in the selection process, and in his opinion, the only evidence he heard of any significant subjective element in the selection process, unfortunately, was from the CAC. Mr. Romero stated that he heard testimony from members of the CAC who lived close by and knew one developer, and a 9 to 4 vote after a prior vote which was fairly close made him question whether or not the Commission could rely on the CAC vote at this time. Mr. Romero stated that he would really like to put a lot of trust in all of the Agency's PACs and CACs and that generally the Agency did follow what they recommended, but in this case, he felt there was not quite that reliability, unfortunately, especially when staff was accused of unprofessional conduct and that he did not think there was any place in this consideration for the developer selection for negativity about one group or the other because both groups were well respected. Mr. Romero stated that he thought that the only thing that could be done was what Rev. Boyd had suggested and that was to go back to the drawing board, but that the Agency had put a lot of effort in the important task of finishing the project and to complete its activities in the Western Addition before the expiration of the redevelopment plan. Mr. Romero stated that the only other conclusion he could come to was to rely on what the evaluation panel had come to, including Agency staff's scoring, which slightly favored Mr. Simmons' proposal, and that he would have to go along with the evaluation panel's conclusion. Mr. Romero put forth a motion to authorize an exclusive negotiations agreement with Michael Simmons' group.

Commissioner Yee stated that there was public testimony complaining about the Western Addition CAC and asked if Ms. Michele Davis had attended the CAC meetings.

Ms. Davis stated that she attended the meetings where the developers presented their proposals and when the CAC discussed the selection process.

Commissioner Yee asked if Ms. Davis agreed that there was a need for more transparency and accountability at the CAC, as stated in the public testimony, which was a concern for him.

Ms. Davis stated that she was in an awkward position because she respected both the CAC and the Commission, and that she thought that in any public process where there was a governing body that had to work together and make decisions, there would be challenging times when things would not be seen as clearly by everyone involved, and the process was not a perfect one and occasionally, there would be bumps on the road.

Commissioner Yee asked why meeting minutes were not taken by the CAC.

Ms. Davis stated that she would defer the question to Ms. Gaynell McCurn, Western Addition A-2 Project Manager.

Ms. Gaynell McCurn stated that at the two meetings where the CAC voted on the 1345 Turk Street project, minutes were taken and recorded by her.

Commissioner Yee asked if it was true that sometimes the Agency did not honor certificate holders.

Ms. Davis stated that if Commissioner Yee was referring to the allegation made by Mrs. Leola King, she (Ms. Davis) had spoken several times with Mrs. King and her son, Mr. Tony Taylor, regarding the project and as she explained to them and at the CAC meetings, with all things being equal in terms of developers submitting proposals, if one had a certificate of preference, certainly that would be the developer that would proceed with the project with a recommendation to the Commission. Ms. Davis stated that in this case, there were substantial deficiencies in Mrs. King's proposal, documents missing, documents that were not signed, the proposal was not compliant with the project area redevelopment plan and would have required an amendment to the redevelopment plan, and the proposed project was not feasible. Ms. Davis stated that the proposal from Mrs. King was not considered equal to the competition.

Commissioner Yee stated that as Commissioners, when they hear such allegations, the Commissioners had to verify the information with staff to ensure that the whole process was done properly. Mr. Yee stated that he would urge Ms. Davis to continue doing a good job, which the Commission appreciated.

Commissioner Breed stated that this was probably the toughest decision she had to face as an Agency Commissioner because two development teams had been formed with members that she highly respected. Ms. Breed stated that it was really unfortunate that both teams had great minority participation that would be bidding on any development project in San Francisco. Ms. Breed stated that as she contemplated her decision, she could see that both proposals were well done and even though she had some concerns, she thought that both teams were very close. Ms. Breed stated that her concern was how she could decide to support the staff's recommendation over the CAC, and that she really did not know how she could go against members of the CAC who spent a considerable amount of time meeting and working with staff, all because they love San Francisco and the Western Addition community and they wanted to be involved in the process. Ms. Breed stated that she would like to understand, and maybe the meeting minutes would help her make a decision, exactly what went on at the CAC meetings where the CAC overwhelming agreed to not support

staff's recommendation and formed their own recommendation. Ms. Breed stated that she was very concerned and that she was not completely confident that she would not support them at this point.

Commissioner Covington stated that this was quite a difficult decision because there were two finalists who were eminently qualified, but that there seemed to be a flawed selection process. Ms. Covington stated that homeownership in the Western Addition was of primary importance and the loss of homes that people owned was the reason for the project, and although the number of units proposed would not really make a dent on the number of homes needed to replace what was lost, it was important that when there was an opportunity to purchase a home, that it feel like a home and not feel like an apartment. Ms. Covington stated that she liked both proposals and that both teams were excellent, and that members of both teams were very professional and highly creative individuals who hold dear in their hearts the well-being of the Western Addition community. Ms. Covington stated that she was concerned that at first, the CAC asked that there be a change and that there be representatives from the CAC on the selection panel, and then after the scoring was done, the CAC came again and stated that they did not like the way things went and that they wanted the process reopened again. Ms. Covington stated that a lot of man hours were put into the RFP process on the part of Agency staff, but mostly on the part of the developers who spent a lot of money and time to respond to the RFP. Ms. Covington stated that what she found troublesome was that after all the effort and after the scoring, the developer who received the highest score was told that was not good enough and that the people empowered to make the decision made a collaborative decision, and after all of that, the decision was left up to the Commission. Ms. Covington stated that she did not think that was a fair process and thought that what it said to other developers as well as the two developers competing was that the selection was more of a popularity contest than looking at their work experience and background and looking at the Agency's own process. Ms. Covington stated that she was disappointed that the staff did not make a recommendation because if staff came up with a process, they should stand by that process and what their deliberations resulted in. Ms. Covington stated that she attended the Board of Supervisors' Land Use and Economic Development Committee the previous week who conducted a hearing on the Agency's Certificate of Preference Program, and that she left the two and a half hour meeting very dismayed about the number of certificate holders that seemed to have been lost to history and with the thousands of certificate holders, the Agency could not seem to find them even with today's advanced technology. Ms. Covington stated that she received many telephone calls from high school friends who found a way to contact her through the internet and the Agency could do a much better job. Ms. Covington stated the Agency had 5,000 residential certificates out there with 3,000 people with unknown addresses and this was definitely an indication

that the system was broken and that it needed to be fixed, but that she would speak more about the issue on Commissioners' Questions and Matters later in the meeting. Ms. Covington stated that she wished there was more time to follow up on Rev. Boyd's suggestion that the two developers would begin talking to each other, and that she wanted confirmation that the conversation was taking place about the possibility of collaboration. Ms. Covington asked if the developers thought that the conversations would bear fruit.

Mr. Todd Clayter of Em Johnson Interest, stated that he was informed earlier in the day that Rev. Boyd had contacted them and Mr. Michael Simmons about the possible collaboration, and that Em Johnson Interest embraced the suggestion whole-heartedly to work together and that they were certain they could achieve a win-win situation.

Mr. Michael Simmons stated that they began talking about the suggestion earlier in the afternoon and that he and Mr. Michael Johnson agreed to have lunch and talk about the suggested collaboration.

Commissioner Singh stated that he was also puzzled about the CAC recommendation and why staff did not make a recommendation as stated by his fellow Commissioners. Mr. Singh stated that he would also like to see a collaboration of the two developers as Rev. Boyd had suggested, and perhaps the matter could be continued to the next Commission meeting in order to come up with a solution.

Commissioner King asked when Executive Director Rosen was coming back because he had questions for her. (President Peterson stated that Ms. Rosen would be back later in the week.) Mr. King stated that the whole process of questioning developers at the meeting was incorrect because that had never been done before where people from the audience were questioned by Commissioners. Mr. King stated that he thought the Commission should have a closed session meeting to discuss procedures for Commissioners on how they conducted themselves at the meetings, because the back and forth questions and answers of developers was improper procedure. Mr. King stated that the 1345 Turk Street matter should not have gone before the Commission without first having a closed session meeting with the Executive Director and that it was not proper to question developers at the Commission meeting. Mr. King stated that he could not decide which developer should be awarded the exclusive negotiations until there was a closed session meeting with the Executive Director to discuss Commission procedures.

President Peterson stated that he would be happy to have a discussion about Commission procedures. Mr. Peterson stated that he believed that the Executive Director thought that she had been asked not to have staff recommend a particular developer because the proposals were so close and

to let the Commission decide. Mr. Peterson stated that in his opinion, that was the job of the Commission and it should choose a developer and move the project forward.

Commissioner King stated that he did not agree that it was the Commission's job because Commissioners were not out in the community meetings because it was staff's responsibility to review the proposals.

President Peterson stated that he agreed, but that staff did give a higher score to the Michael Simmons proposal, and the only thing missing was staff confirming their scoring and a recommendation to the Commission.

President Peterson stated he thought that it was exciting to have two qualified minority development teams and that he appreciated all the effort that the two teams put into the project. Mr. Peterson stated that he certainly respected and could understand the frustration of some of the staff and CAC procedures, but that there two qualified proposals and that he personally did not have a problem choosing one developer. Mr. Peterson stated that all politics and the procedures aside, it was important to have what would be in the best interest of the community, which would be to have something built as soon as possible. Mr. Peterson stated that it would also be in the best interest of the community to have a terrific looking project that would inspire pride and self esteem among the people that would live in the project as well as the people in the neighborhood. Mr. Peterson stated he thought that the Michael Simmons townhome design was significantly preferable to a condominium building, and that the scoring was of little significance to him because the scores were so close, but that it was clear that Em Johnson had one way of designing the project and Mr. Simmons had a very different attitude, which was a series of townhomes, and that again, he was significantly more excited to see Mr. Simmons' proposal move forward. Mr. Peterson stated he thought that it was important to consider how important a particular project was to a particular developer, because he did think, like many things in life, that people would perform at a level to which they were committed. Mr. Peterson stated that when he looked at the two proposals, specifically the percentage of time that the principals would devote to the project, he noted that Mr. Michael Johnson was at 15% commitment to the project, while Mr. Michael Simmons was at 40%, and that he thought that in a close race, this was a significant factor. Mr. Peterson stated that he would like to have a developer who considered the project very important, and that what he saw in terms of time commitment, the project was three times more important to Mr. Simmons as it was for Mr. Johnson. Mr. Peterson stated that he was struck that Mr. Johnson was not at the Commission meeting and maybe there was an excuse and that was fine, but that the point was that he was not present at the meeting, and he thought that was significant. Mr. Peterson stated that Mr. Johnson had enjoyed the support of the Commission for a long time and that was great,

and the Agency had helped Mr. Johnson become successful and thought that the Agency should take pride in that. Mr. Peterson stated that he thought perhaps there was an opportunity for the Agency to work with another developer and help him become equally as busy and successful in the City as Mr. Johnson. Mr. Peterson stated that was where he was at in his decision and that personally, he did not care who developed the property because he was not involved in the local politics, but from a design standpoint, from a commitment standpoint and from his overarching perspective that the Agency needed to get the project built sooner rather than later, and so he would not support delaying the matter because it would take months for two parties to get together and come up with some cooperative arrangement, and he would support the Michael Simmons proposal.

President Peterson stated that there was an earlier motion made by Commissioner Romero to authorize exclusive negotiations with Michael Simmons, and that he would second the motion.

Commissioner Romero stated that he did make the motion earlier to authorize exclusive negotiations with Michael Simmons. Mr. Romero stated that he agreed with 99% of everything that President Peterson stated, and that it was the Commission's ability to decide on a project that had exhaustive consideration, analysis and interviews and both developers had spent a lot of money and time. Mr. Romero stated that he almost stated earlier that he was disappointed that staff did not make a recommendation to the Commission, but that he realized that staff would be criticized no matter what they did, if they made a recommendation or not, or if they got input from the CAC or not. Mr. Romero stated that maybe, if he was staff he would like to think that he would have bitten the bullet and say that even though the scoring was very close, he would recommend the developer with the higher score, but that he would not blame staff because the decision was very close and thought that it was the Commission's responsibility to be decisive. Mr. Romero stated that the decision would not become any easier in two weeks or a month with two developers getting together, and that he did not think he would be the Commissioner getting 20 telephone calls everyday on the matter, and if he was, he would be happy to take the calls. Mr. Romero stated that most of the Commission's votes on all of the Agency projects were unanimous and this was why they were appointed to the Commission to do, to make the tough decisions. Mr. Romero stated that he had nothing bad to say about Mr. Johnson and that there would be other opportunities in the future, and that the Agency and the communities it served would be better off if the more competent developers were given opportunities, and that he would suggest spreading the wealth around.

Commissioner King stated that he was speaking against the motion because the Commission did not have a clear recommendation from staff, and that he thought the Commission was making a mistake to choose a developer and that he believed there should be a closed session discussion on Commission procedures specifically, asking questions of developers at the meeting. Mr. King stated that he would vote against the motion to authorize exclusive negotiations with Michael Simmons.

Commissioner Breed stated that she could not support the motion to authorize exclusive negotiations with Michael Simmons primarily because she had no good reason to go against the recommendation of the CAC. Ms. Breed stated that she was still torn between the two development teams and that she appreciated Rev. Boyd's suggestion for collaboration. Ms. Breed stated that it was discouraging to see the road the Agency was headed on the 1345 Turk Street project and that she respected the process, but that she respected the CAC and the community input more and the work that Michael Johnson had done with HSM and the community, considerably more so because of the community people she spoke with who expressed their appreciation for the community outreach and that she appreciated the compassion the Em Johnson group showed to the community. Ms. Breed stated that this was a tough decision, but that she could not go against the recommendation of the CAC.

Commissioner Singh stated that he was anxious to have the project built and put forth a motion to authorize exclusive negotiations with Em Johnson Interest.

Commissioner Yee called for the question on the motion on the floor.

Commissioner Covington stated that this was a very tough decision as she heard Commissioner King state that he was not sure if he wanted to make a decision, and if the Commission was to make a decision, she was in no way discounting the contributions of the CAC at all, and that she was mindful that the CAC had two members on the selection panel. Ms. Covington stated that one of the things that the Agency needed to do was to develop a standard formula for how many CAC members and how many staff members would serve on a selection panel because it was troublesome to not have a standard number of people serving. Ms. Covington stated that the Commission needed to hear the voice of the CAC because they were the people who knew that was going on in the community and that they worked just as hard as Commissioners and staff, and that the Agency needs to standardize the practices about selection panels.

President Peterson requested the Commission Secretary to conduct a roll call vote.

Commissioner Breed asked for clarification that if Commissioners voted not to support Michael Simmons, his proposal could still be presented to the Commission at another meeting.

General Counsel James Morales stated that the same proposal or both proposals could be presented to the Commission at another meeting.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. PETERSON, THAT ITEM 4 (d) RESOLUTION NO. 15-2007, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC. FOR THE DEVELOPMENT OF 32 UNITS OF LOW-INCOME FIRST-TIME OWNERSHIP HOUSING, 1345 TURK STREET, BLOCK 756, LOT 001, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Covington
Mr. Romero
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Ms. Breed
Mr. King
Mr. Singh
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES AND FOUR (4) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

Commissioner Covington stated she wanted to raise a point of clarification and asked if this was an appropriate time for substitute motions, because she thought that Commissioner Yee was presenting a substitute motion earlier.

Commissioner Yee stated that he did not make a substitute motion, but that he thought Commissioner Singh had made one earlier.

Commissioner Singh stated that he thought the matter should be continued.

President Peterson stated that was the effect of the failed motion.

Commissioner Romero stated that it was not necessary to continue the matter because there was no motion to adopt and the Commission could just move the agenda.

- 4 (e) Resolution No. 16-2007, Authorizing a First Amendment to the Personal Services Contract with Image Access West, a New Jersey corporation, to amend the scope of services to add additional services for electronic document management and to extend the contract term for 19 months from June 1, 2007 to December 31, 2008 and to increase the contract amount by \$35,000 for a total aggregate amount of \$95,000

Presenters: Kim Pan (Agency staff)

Commissioner Breed asked if the Agency contracted with Image Access West for the electronic document management services, would the Agency have other options with other companies when the contract would be put out to bid or would the Agency be limited to this company for the services.

Mr. Kim Pan, Information Systems Supervisor, stated that since the services were based on a software platform provided by Image Access West, the Agency would be limited to this company unless the Agency was going to switch software platforms. Mr. Pan stated that there may be other companies that provide the service, but that Image Access West was the only firm in the Bay Area.

Commissioner Breed stated that she just wanted to make sure that if the Agency ran into problems with this particular company, the Agency would have other options available.

Mr. James Nybakken, Administrative Services Manager, stated that there were other companies that did the work and staff was confident that Image Access West would be able to provide the requested services, but when it comes to the point where the Agency needs to explore other options, there would be other options available to the Agency, which were considered during the course of selecting this particular vendor.

Commissioner Breed requested verification that the services or software would be transferable.

Mr. Nybakken stated that the key point was that the Agency would be getting electronic images of its documents that would be in a universal JPEG format.

Commissioner Breed put forth a motion to adopt item 4 (e).

Commissioner King asked if there was a representative from Image Access West in attendance, and inquired about their workforce and asked how many African Americans they had working for the company.

Mr. John Cassidy from Image Access West, stated that they currently had 47 employees and that their specific line of work was to provide document imaging systems primarily to State government agencies and financial organizations, and the contract would be the first with San Francisco. Mr. Cassidy stated that they had a number of minority and women employees working at their firm. Mr. Cassidy stated that 15 to 20% of the 47 employees were represented by African Americans.

Commissioner King asked where the Agency's Contract Compliance staff was.

Mr. Cassidy stated that under the previous approval of the contract, Image Access West worked with the Agency's Contract Compliance staff.

Acting Executive Director Joanne Sakai reminded the Commission that the vendor was selected through an RFP process and the Commission previously approved the contract based upon a recommendation of the selection panel as well as review by the Agency's Contract Compliance staff.

Commissioner Romero seconded Commissioner Breed's motion to adopt item 4 (e).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 16-2007. AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH IMAGE ACCESS WEST, A NEW JERSEY CORPORATION, TO AMEND THE SCOPE OF SERVICES TO ADD ADDITIONAL SERVICES FOR ELECTRONIC DOCUMENT MANAGEMENT AND TO EXTEND THE CONTRACT TERM FOR 19 MONTHS FROM JUNE 1, 2007 TO DECEMBER 31, 2008 AND TO INCREASE THE CONTRACT AMOUNT BY \$35,000 FOR A TOTAL AGGREGATE AMOUNT OF \$95,000, BE ADOPTED.

- 4 (f) Resolution No. 17-2007, Authorizing a Personal Services Contract with Westcoast Maintenance Service, a sole proprietorship, for a term of one year with two, one-year options, in an amount not to exceed \$35,976.00 for the first year for a total aggregate amount not to exceed \$107,928.00 to provide cleaning, maintenance and roving patrol services; 474 Natoma Street; South of Market Redevelopment Project Area

Presenters: Audrey Kay (Agency staff)

Commissioner Breed asked what the RFP specifically required for the service component for homeless encampment because in the staff report, it was indicated that Costless Maintenance did not propose to offer value added assistance to homeless individuals vacating the property.

Ms. Audrey Kay, Property Management Specialist, stated that the RFP did not require a service component for homeless encampments.

Commissioner Breed asked if the service component was not required in the RFP, why it was mentioned that Costless Maintenance did not offer value added assistance to homeless individuals.

Ms. Kay stated that staff was not really expecting any help with the homeless encampment and when Westcoast Maintenance proposed to offer the additional services, staff was impressed.

Commissioner Breed asked if that was the main reason why Costless Maintenance was disqualified because their proposal was considerably lower, and that she was concerned about the selection process and if they received an equal opportunity.

Ms. Kay stated that during the interview process, staff informed the firms that there were a lot of homeless people in the area and that the Agency wanted to make sure that the homeless people would be treated with dignity and respect and asked the interviewees what they would do when encountering homeless individuals, and the representative from Costless Maintenance stated that they would not even get out of the car.

Commissioner Breed stated that the Twin III Building Maintenance also stated that they did not have as much experience working with the homeless encampment as the two other bidders, and asked where the homeless experience would come in if Costless Maintenance stated that they would not get out of the car.

Ms. Kay stated that the vendors stated they had some experience working with the homeless, but when they were interviewed it was determined that they did not have experience.

Commissioner Breed put forth a motion to adopt item 4 (f).

Commissioner Covington asked about the process that Westcoast Maintenance would follow to remove homeless individuals from the encampment.

Ms. Kay stated that when homeless people were encountered, Westcoast Maintenance would hand out flyers that would refer them to social services where they could get counseling, shelter, food and other services.

Mr. Robert Wade of Westcoast Maintenance, stated that he had 25 years of experience in janitorial services and 15 of those years was working with the Redevelopment Agency in various projects. Mr. Wade stated that when they encountered homeless people, they tried to encourage them and treat them as people and urged them to go to shelters to obtain services.

Commissioner Covington asked how many employees Mr. Wade had, and if his company sponsored a motorbike.

Mr. Wade stated that he had seven full-time people and a few on-call employees, and that his company did not sponsor a motorbike.

Commissioner Covington seconded Commissioner Breed's motion to adopt item 4 (f).

Commissioner Romero stated that he was glad that the Agency awarded contracts to individuals like Mr. Robert Wade who put his heart and soul into his work, and thanked Mr. Wade for the work he did.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 17-2007, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH WESTCOAST MAINTENANCE SERVICE, A SOLE PROPRIETORSHIP, FOR A TERM OF ONE YEAR WITH TWO, ONE-YEAR OPTIONS, IN AN AMOUNT NOT TO EXCEED \$35,976.00 FOR THE FIRST YEAR FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$107,928.00 TO PROVIDE CLEANING, MAINTENANCE AND ROVING PATROL SERVICES; 474 NATOMA STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g) Workshop on the proposed integrated development of Phase Two of the Hunters Pint Shipyard and the Candlestick Point area of the Bayview Hunters Point Project Area; Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Project Area

Presenters: Michael Cohen (Mayor's Office of Economic and Workforce Development), Kofi Bonner (Lennar/BVHP)

Speakers: Sister Barbara Washington, Franklin Ross, Brenda Smith, Destiny Wilson, LaRonda Smith, Joshlyn Norman, Linda Richardson, Angelo King, Clarence Spears, Ace Washington, Pastor Joesiah Bell, Oscar James, Rev. Edgar Boyd

Commissioner Covington stated she wanted to commend Mr. Michael Cohen and Mr. Kofi Bonner for the presentation and the vision on the integrated development. Ms. Covington stated that she agreed with everyone that this was the right time for such collaboration and everyone involved were the right people to get it accomplished. Ms. Covington stated that she heard speaker after speaker speak about jobs, but she would like to see a business incubator because there would be a lot of opportunity for a lot of people, and that historically, the way that African American communities had prospered was through business ownership, and to the extent possible, she would like to see included in the proposed business park an incubator for businesses. Ms. Covington stated that she would suggest starting the business incubator even before the business park was built in order to prepare people to open up businesses when the business park was completed. Ms. Covington stated she wanted to give kudos to the Hunters Point Shipyard CAC and Bayview Hunters Point PAC for getting together and that she hoped the spirit of cooperation between them would continue. Ms. Covington stated that the proposed integrated development was a fabulous idea with great opportunities for maximum access to the waterfront. Ms. Covington asked if the proposed stadium was larger than the existing one.

Mr. Michael Cohen, Director of Base Reuse and Real Estate Development, stated that the proposed stadium was not larger than the existing one, in fact, the 49ers was actually talking about going down in size to about a 70,000-seat stadium. They currently have a 72,000 to 74,000-seat stadium at Candlestick. Mr. Cohen stated that what was needed for a stadium was 27 acres and one of the planning challenges was the 700 acres between the Shipyard and Candlestick and the question was how to keep an opportunity open for a 27-acre stadium development while being able to move ahead with the rest.

Commissioner Covington asked what was planned for the regunning crane.

Mr. Cohen stated that every plan for the Shipyard assumed that the regunning crane would stay as it had become somewhat of an icon at the Shipyard. Mr. Cohen stated that admittedly, they were early in the concept planning, but that there had been recognition, which Mr. Oscar James talked about at the last CAC meeting, that there need to be focus not only on the Crissy Field of the south, but also on active recreation and the area would be good for more active and hardscape activities, like extreme sports popular to teenagers. Mr. Cohen stated that the expectation was that the regunning crane would stay.

President Peterson asked what the National Football League (NFL) required for a stadium to hold the superbowl.

Mr. Cohen stated that the NFL required a 70,000-seat stadium to hold the superbowl.

Commissioner Covington stated that for the past couple of months, she had been a member of the Mayor's Task Force on Public Housing and when she heard Alice Griffith mentioned, she wanted to emphasize that there would be one to one replacement and there would not be a reduction in the number of housing units.

Commissioner Romero stated that he wanted to be clear that the City should do everything it could to keep the 49ers in San Francisco because he wanted the 49ers to stay and because the voters already approved a \$100 million bond, which was significant. Mr. Romero stated that the revised concept plan for the area presented a wonderful opportunity for everyone concerned. Mr. Romero stated that San Francisco already had a breathtakingly beautiful waterfront in many ways, but if one went to Sidney, Australia, for example, one would see their beautiful waterfront and harbor without power plants, industrial uses and no toxic waste dumps. Mr. Romero stated that San Francisco has the opportunity to not only beautify its waterfront, but also to build 9,000 homes, create thousands of employment opportunities, and to keep the 49ers football team in the City. Mr. Romero stated that there could be debate about the importance of sports in people's lives, but that he thought it was very important particularly for the youth and for the City's civic pride. Mr. Romero stated that he thought it was a great revised conceptual plan, but that the significant hurdle that faces the Agency and City was the cleanup of the toxics in the Shipyard and everyone must be diligent with the Navy. Mr. Romero stated that it was a wonderful opportunity and he hoped that he would still be on the Commission to see the concept developed and implemented.

Commissioner Breed requested verification that the Alice Griffith housing development was under the Housing Authority and that it would not be replaced and would remain in the same location.

Mr. Cohen stated that the Federal government had stopped paying to rebuild public housing such as Alice Griffith and Hunters View, and what other cities had done, including Chicago, was to do market-rate development that would pay for rebuilding the public housing as well, and the result would be brand new public housing and, for San Francisco, there would be mixed-income housing and more integrated communities. Mr. Cohen stated that the challenge was that the Hunters View site was very tight with not a lot of land to work with, but that the Alice Griffith site did not have that constraint and there would be an opportunity to rebuild more units within the existing site.

Commissioner Breed requested verification that the Alice Griffith units, because they were public housing, could not be moved to another site.

Mr. Cohen stated that the units could be moved across the site, but that what was important to note was what Commissioner Covington articulated earlier, as well as Supervisor Sophie Maxwell, that there would be one to one replacement of the housing units and that there would not be any displacement. Mr. Cohen stated that to the extent the City could use this project to rebuild the public housing that the Federal government would not, the City should be supporting that.

Commissioner Breed stated that she agreed with Mr. Cohen, and inquired about the transportation plan for the proposed integrated development and stated that with all of the cars going to the stadium, there should be plans underway to provide decent access in and out of the area.

Mr. Cohen stated that they were currently working on some preliminary ideas about the transportation plan, which would be brought back to the Commission.

Commissioner Breed stated that it was nice to see Lennar come before the Commission with something exciting and positive for a change given the recent issues at the Shipyard. Ms. Breed stated that the proposed integrated development was very exciting and that as a 49er fan, she wanted the City to do everything it could to keep the 49ers in San Francisco and to look at all possible opportunities to accommodate the 49ers, and joked that there may be development space available in Mission Bay North. Ms. Breed stated that she appreciated the comments about still moving forward with or without the stadium proposal because the Bayview community deserved a revitalized community and that she was certain that Mr. Cohen was working very hard with the Navy to cleanup the parcels at the Shipyard. Ms. Breed commended Mr. Cohen and Mr. Bonner for all their hard work.

Commissioner Singh commended Mr. Cohen and Mr. Bonner for doing a fabulous job, and asked what the chances were of keeping the 49ers in San Francisco.

Mr. Cohen stated that the City was really trying to do all it could to keep the 49ers in San Francisco, but that the City did not own the team and it could not make that final decision. Mr. Cohen stated that they were certain that the road to Santa Clara would get bumpy and if the City could make progress with the proposed integrated development with the cleanup of the Shipyard parcels, the City was hoping that the scales would begin to tilt in the City's favor, and the 49ers owners would see the Shipyard stadium site as a much better alternative. Mr. Cohen stated that the City would be making a compelling case to keep the 49ers in San Francisco.

Commissioner Romero stated that it should not be forgotten that the AT&T baseball park was a redevelopment project and how wonderful it turned out.

Commissioner Singh asked everyone to give Mr. Cohen and Mr. Bonner a hand for doing a great job.

President Peterson stated that he wanted to inform the public that Closed Session item 10 (a) would be continued to the next Commission meeting with the Commissioners' consent. The Commission gave its unanimous consent to continue the closed session item.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Oscar James, Rev. Arnold Townsend

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR** None.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner Covington stated that she thought it was very important for the Commission, on a future agenda very soon, devote quite a bit of time to the Agency's Certificate of Preference Program and discuss the current status of the program as well as the certification process. Ms. Covington stated that the Agency would be leaving the Western Addition in just two years and there was a lot of certificate holders that would like to use their certificates, and that she thought it was important for the Commission to look at how the program was working, how it could be improved and be of true benefit to people with certificates. Ms. Covington stated that a lot of homes were lost and people still would like to purchase homes in the Western Addition using those certificates as well as their children.
- Commissioner Breed stated she wanted to rephrase her earlier suggestion that the Agency Commission consider adopting a resolution encouraging the Mayor to develop a task force to explore the decreased population of African Americans in San Francisco. Ms. Breed stated that if necessary, she could craft the resolution herself, but that she would like the matter calendared for a future agenda so that the Commission could determine whether or not there should be a task force to explore the issue throughout the City.
- Commissioner King stated that he wanted to know when the Commission was scheduled to meet to conduct the Executive Director's performance evaluation. Mr. King stated that he had earlier requested a

meeting of the Commission to discuss its own procedures as to how Commissioners conducted themselves during Commission meetings.

- President Peterson stated that the meeting to conduct the Executive Director's performance evaluation had not yet been scheduled, but that he would inform the Commissioners when that was done. Mr. Peterson stated that he did not recall Commissioner King's earlier request for a meeting to discuss Commission procedures.
- Commissioner Covington requested clarification from Commissioner King about a point he made earlier regarding the 1345 Turk Street project, that he would like the Commission to have a discussion about interviewing people at the podium during Commission meetings.
- Commissioner King stated that was correct.
- President Peterson stated that he would follow up with Commissioners.

10. CLOSED SESSION

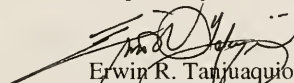
Item 10 (a) was continued to the March 6, 2007 Commission meeting.

- 10 (a)** Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the 1210 Scott Street, (Block 0729, Lot 044) property, and the party with whom the Agency may negotiate is the Jewish Community High School of the Bay. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, James Morales, Gaynell McCurn, Sally Oerth, Michele Davis, Tracie Reynolds and Denise Blades.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:45 p.m.

Respectfully submitted,



Erwin R. Tanguaquito
Agency Secretary

APPROVED:

March 6, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
6TH DAY OF MARCH 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 6th day of March 2007, at the place and date duly established for holding of such a meeting.

Acting President Francee Covington called the meeting to order at 4:05 p.m. Ms. Covington welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that if members of the public wished to make the Commission aware of matters under its purview and not on the meeting agenda, to please fill out a speaker card which would be called under item 6 on the agenda. This time was set aside so that members of the public could share their thoughts, compliments or concerns with Commissioners, but was not the time to engage in debate or discussion with the Commission or Agency staff. Members of the public may follow up with staff or Commissioners during a break or after the meeting was adjourned. Ms. Covington wished everyone a Happy Chinese New Year, "Gung Hay Fat Choy!"

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, Vice-President
London Breed
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

And the following were absent:

Richard H. Peterson Jr., President

Marcia Rosen, Executive Director and staff members were also present.

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2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of February 20, 2007

4 (b) Resolution No. 18-2007, Authorizing a First Amendment to the Owner Participation Agreement with 238 Olive Street, LLC, a California limited liability company, to revise the performance schedule for a residential development at 238 Olive Street, (Assessor's Block 0719, Lot 082); Western Addition Redevelopment Project Area A-2

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. PETERSON ABSENT) THAT CONSENT AGENDA ITEMS 4 (a), APPROVAL OF MINUTES: MEETING OF FEBRUARY 20, 2007, 4 (b) RESOLUTION NO. 18-2007, AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH 238 OLIVE STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE PERFORMANCE SCHEDULE FOR A RESIDENTIAL DEVELOPMENT AT 238 OLIVE STREET, (ASSESSOR'S BLOCK 0719, LOT 082); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen reported that she was at the California Redevelopment Association conference last week where the Agency was

awarded the best mixed-use development project for the St. Regis and Museum of the African Diaspora (MoAD) project. Ms. Rosen stated that she was informed that the St. Regis and MoAD project was the first choice by every member of the selection committee for the best mixed-use project honor. Senior Project Manager Amy Neches received the award on behalf of the Agency.

- Ms. Rosen stated that staff was just informed by the San Francisco Business Times that the Plaza Apartments was a finalist for the best green building in San Francisco award, which would be awarded by the San Francisco Business Times at their annual event on March 22nd.

Acting President Covington thanked and congratulated Agency staff and Commissioners who worked on the projects.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated that some time ago, he inquired about a property located at 1776 Sutter Street and requested Mr. Olson Lee to provide a detailed report about the transaction for the property where millions of public dollars were allocated. Mr. Yee stated that he wanted the public to know how the property was developed with public funds. Mr. Yee put forth a motion to instruct staff to provide a report on the property at 1776 Sutter Street and schedule the matter for the next Commission meeting.
- Commissioner Singh seconded Commissioner Yee's motion.
- Acting President Covington restated the motion, that 1776 Sutter Street be placed on the March 20th Commission meeting agenda with a staff presentation.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. PETERSON ABSENT) THAT THE 1776 SUTTER STREET PROJECT BE PLACED ON THE MARCH 20TH COMMISSION MEETING WITH A STAFF PRESENTATION.

- Commissioner Singh requested verification that the Plaza Apartments was receiving the best green building award.

Executive Director Rosen stated that the Plaza Apartments was a finalist for the best green building award and it would not be known if it won the award until the March 22nd San Francisco Business Times annual event.

- Commissioner Singh stated that he wanted to commend Commissioner Yee for his hard work on the Plaza Apartments.

Executive Director Rosen asked Commissioner Yee for a clarification on the 1776 Sutter Street matter and asked if that was the Golden Gate Apartments.

- Commissioner Yee stated that he may not have the correct address, but that the property was currently owned and managed by the Chinese Community Development Center.

Executive Director Rosen stated that she believed that Commissioner Yee was referring to one of the Agency's preservation portfolio and was done in the late 1990s similar to many other transactions whereby the Agency saved the affordability of housing that was at risk of going to market-rate, and staff would provide the information to the Commission.

- Commissioner Yee stated that in his 13 years as an Agency Commissioner, he had never seen a single project awarded with millions of dollars as the 1776 Sutter Street property. Mr. Yee stated that when the matter was before the Commission, he recalled Commissioners King and Singh saying that there was no use arguing because the Executive Director had four votes on the Commission and the matter would therefore be approved by the Commission. Mr. Yee stated that regardless, he did not think it was appropriate that the allocation of funds was under the control of the staff even if the CCDC had control of the site, but that they did not put any down payment on the property and was still awarded millions of dollars to preserve the housing. Mr. Yee stated that he wanted the three new Commissioners to be aware of how the transaction took place and to prevent the same thing from happening in the future.
- Commissioner Breed stated that she would like to receive an update on the Bindlestiff Studio specifically, where the negotiations were with the theater group and that an informational memorandum would suffice.
- Commissioner Breed stated that following the workshop on the Western Addition transition plan, she thought that the Agency should explore, possibly making a request to the Mayor's Office to submit legislation in order to extend the sunset date of the Western Addition A-2 Redevelopment Plan. Ms. Breed asked if the Western Addition A-2 transition plan was on the CAC's next agenda for discussion. (Agency staff indicated that the matter was calendared at the next CAC meeting.) Ms. Breed stated that she was really concerned about the Agency's role in terms of putting together a comprehensive plan around exiting the Western Addition, and that she understood that a lot resources were being directed towards the Western Addition A-2 area, but that efforts

would not produce results, and that she needed to know that something was being done so that she would be comfortable with the Agency's exit from the Western Addition. Ms. Breed stated that she did not think that the Agency was at that point and that not enough time and effort were being devoted to developing the transition plan including the necessary research and that she was continually getting frustrated with the process and the complaints she was receiving from members of the community. Ms. Breed stated that she thought the Agency should seriously explore the possibility of looking into legislation that would extend the redevelopment plan termination date, but that in the mean time, to continue to move forward in the direction of developing the transition plan.

- Commissioner Yee stated that he recalled Commissioner Breed had requested a review of the Executive Director's performance and that the review was long overdue because the Commission had not done so for many years. Mr. Yee stated that the review of the Executive Director's performance was supposed to be done yearly, and put forth a motion to schedule the performance review as soon as possible.
- Commissioner King seconded Commissioner Yee's motion to schedule the Executive Director's performance review as soon as possible.
- Acting President Covington stated that the matter was brought up by Commissioner King at the previous Commission meeting, and that she recalled that President Peterson stated that he would schedule the matter.
- Commissioner Yee stated that there was a motion and a second on the floor and that he would call for the question.
- Commissioner Romero stated that his recollection was that the Commission did adopt a policy as to how often the Commission would conduct a performance review of the Executive Director.

General Counsel James Morales stated that he could not speak to the matter specifically, but that there was a resolution adopted by the Commission related to the performance review of the Executive Director.

- Commissioner Romero stated that he was reminded that he actually had a copy of that resolution (in his files), Resolution 16-2001, adopted on February 6, 2001. Mr. Romero stated that the resolution had three recitals and the third recital states "It has been recommended that the Commission conduct an annual performance review of the Executive Director." Mr. Romero stated that was a recommendation and not a hard and fast rule, and asked when the Commission last did a performance review of the Executive Director.

Executive Director Rosen stated that she believed the Commission conducted a performance review in 2003.

- Commissioner Romero stated that was four years ago and the Commission should probably do another performance review.
- Commissioner Breed stated that she wanted to make it clear that when she brought up a lot of matters including the performance review of the Executive Director, it had a lot to do with the fact that she and Commissioners Covington and Peterson had been on the Commission for almost two years, and that as she began to understand all of the issues about the Agency and how to make it a better place, that she thought it was important that the Commission did certain things consistently and one of those things was definitely the evaluation of the Executive Director's performance as well as to conduct a Commission retreat on an annual basis with the Mayor's participation, and that these should be written in the Agency's bylaws so that they would become Agency policies. Ms. Breed stated that she thought a performance evaluation was definitely in order particularly because the Executive Director had accomplished a lot during her tenure at the Agency and that it was appropriate to conduct a review, because when the Commission approved the staff's salary increases, concerns were expressed about the cost of living increases and that she felt other Agency staff, she assumed, received salary increases based upon their performance. Ms. Breed stated that she believed it was important for the Commission to be proactive and continue to do an evaluation of the Executive Director's performance on an annual basis.
- Commissioner King stated that he recalled at the last meeting that the President was working on scheduling the Commission retreat.

Executive Director Rosen stated that was correct, that President Peterson would inform the Commissioners when the retreat was scheduled, and that Commission Secretary Tanjuaquio would canvass the Commissioners on the possible dates for the retreat.

- Commissioner Yee called for the question on his motion.
- Acting President Covington asked Commissioner Yee to restate his motion.
- Commissioner Yee stated that his motion was to schedule at the next Commission meeting, the performance review of the Executive Director, which was seconded by Commissioner King.

- Commissioner Romero stated that since it had been so long when the Commission conducted a performance review, he was concerned that if it was scheduled for the next Commission meeting, he was not sure how the performance review would be done.
- Commissioner Yee stated that the Commissioners would discuss how the performance review would be conducted as that was up to the Commission.
- Commissioner Romero stated that he was in favor of conducting the performance review, but that he was not sure if the Commissioners would be prepared to do so by the next Commission meeting.
- Commissioner Yee stated that in order to provide more time, he would modify his motion so that the Executive Director's performance review would be scheduled at the April 3rd Commission meeting.

Executive Director Rosen stated that she would be happy to have the opportunity for the Commission to review her performance, but that she wanted to inform the Commission that she would be observing a religious holiday on April 3rd so she could not participate at that Commission meeting.

- Acting President Covington stated that was the beginning of Passover.
- Commissioner Yee stated that the Executive Director was making it impossible for the Commissioners to do what it was supposed to do, and that the Executive Director should follow the Commissioners and not the other way around.
- Acting President Covington stated that she did not mean any disrespect, but that she was informed some weeks ago that Ms. Rosen would be out for Passover, and that she (Ms. Rosen) did not just come up with that as she had provided notice well in advance of the Commission meeting.
- Commissioner King stated that President Peterson did say he was going to schedule the performance review sometime at the end of April and the Commission must respect the Executive Director's observance of the religious holiday.
- Commissioner Yee stated that he would further modify his motion that the Executive Director's performance review would be scheduled for the Commission meeting of April 17th.
- Acting President Covington asked Commissioner King if his second to Commissioner Yee's amended motion stood.

- Commissioner King stated that his second to Commissioner Yee's amended motion did not stand, and that he was withdrawing his second.
- Acting President Covington stated that without a second to Commissioner Yee's amended motion, the motion died. Ms. Covington stated that she wanted to give Commissioners an opportunity since there was a lot of discussion on the matter, and asked if there were any substitute motions.
- Commissioner King stated that he would suggest a substitute motion to put the matter in the hands of the Commission President to schedule the Commission retreat sometime in April, and that the Commission could schedule a special meeting, because that was what the Commission did when it had a retreat the previous year.
- Commissioner Breed seconded the motion.
- Commissioner Romero stated that he personally did not think the Commission had to schedule a special meeting, because he may not be able to attend due to his busy schedule at work.
- Commissioner Yee stated that he was not sure what Commissioner King's motion was.
- Commissioner King stated that his motion was to let the President schedule a meeting sometime at the end of April depending upon the availability of all Commissioners to be present.
- Acting President Covington requested clarification and asked Commissioner King what topic would be discussed at the meeting.
- Commissioner King stated that the topic would be to conduct a performance review of the Executive Director as well as other Agency matters the same way it was done when the Commission had a retreat in 2006.
- Acting President Covington stated that she thought Commissioner King's motion was to schedule a meeting for the Commission retreat and asked if Commissioner King was now speaking of the Executive Director's performance review.
- Commissioner King stated that the review of the Executive Director's performance was part of the retreat, the same way it was done at the previous Commission retreat at Treasure Island, where the Commission reviewed the Executive Director, General Counsel and other Agency staff as well as other Agency matters.

- Acting President Covington stated that there was no performance review done for the Executive Director at the last Commission retreat, and the discussion was focused on Agency matters, but that the Commission did not conduct staff evaluations at that time. Ms. Covington requested verification that Commissioner King's motion would be for a Commission retreat and an evaluation of personnel for the Executive Director as well as the General Counsel.
- Commissioner King stated that was correct, and stated that the Commission could also review other staff.
- Commissioner Breed stated that she thought the performance evaluation should be done separately from the Commission retreat, because the retreat would have to do more with overall Agency matters, but that she thought the Commission should pay special attention separately from the retreat to the performance evaluation of the Executive Director. Ms. Breed suggested that the motion would be to allow the Commission President to schedule the annual retreat sometime in June 2007 and that the performance evaluation of the Executive Director be done sometime before June, so that the performance evaluation was done before the retreat.
- Commissioner King stated that he had no problem with Commissioner Breed's suggestion.
- Commissioner Yee stated that he was confused and that he was not sure what the motion was.
- Commissioner Breed stated that she had suggested to schedule the Executive Director's performance evaluation before June 2007 and to schedule a Commission retreat sometime in June 2007.
- Acting President Covington stated that she was treating Commissioner Breed's suggestion as a substitute motion, and asked for a second.
- Commissioner Romero seconded Commissioner Breed's motion.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. PETERSON ABSENT) THAT THE COMMISSION PRESIDENT SCHEDULE THE PERFORMANCE EVALUATION OF THE EXECUTIVE DIRECTOR BEFORE JUNE 2007, AND ALSO SCHEDULE A COMMISSION RETREAT SOMETIME IN JUNE 2007.

10. CLOSED SESSION

Item 10 (a) was continued from the February 20, 2007 Commission meeting.

- 10 (a)** Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the 1210 Scott Street, (Block 0729, Lot 044) property, and the party with whom the Agency may negotiate is the Jewish Community High School of the Bay. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, James Morales, Gaynell McCurn, Sally Oerth, Michele Davis, Tracie Reynolds and Denise Blades.

The Commission adopted the following motion:

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. BREED, TO INSTRUCT AGENCY STAFF TO DESIGNATE THE PROPERTY LOCATED AT 1210 SCOTT STREET FOR THE DEVELOPMENT OF AFFORDABLE HOUSING AND TO IMMEDIATELY ISSUE A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF 1210 SCOTT STREET, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Mr. Romero

AND THE FOLLOWING WERE ABSENT:

Mr. Peterson

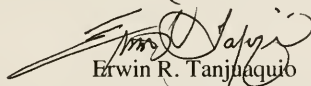
THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES. ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

March 20, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
20TH DAY OF MARCH 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of March 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:09 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.

On March 6, 2007, the Commission held a closed session meeting pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators in connection with the 1210 Scott Street property (Block 0729, Lot 044) and, by a vote of 5-1, instructed Agency staff to designate this property for the development of affordable housing and to issue immediately a request for proposals.

Commission Secretary Erwin Tanjuaquio reported the action taken by the Commission at the March 6, 2007 closed session meeting regarding the 1210 Scott Street property. Mr. Tanjuaquio stated that the Commission, by a vote of five (5) ayes, one (1) nay and one (1) absent, adopted a motion that instructed staff to designate the property located at 1210 Scott Street for the development of affordable housing and to immediately issue a request for proposals for the development of 1210 Scott Street.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of March 6, 2007

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. PETERSON ABSTAINED) THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: MEETING OF MARCH 6, 2007, BE ADOPTED.

Commission Secretary Erwin Tanjuaquio announced that Mr. Miguel Bustos from the Mayor's Office was at the meeting to address the Commission.

Mr. Miguel Bustos, the Mayor's liaison to the Commissions, stated that Mayor Newsom had asked him to express the Mayor's gratitude and appreciation for Commissioner Benny Yee's many years of service to the Redevelopment Agency Commission as well as the City and County of San Francisco. Mr. Miguel Bustos read a Certificate of Honor for Commissioner Benny Yee.

President Peterson stated that there would be an opportunity at the next Commission meeting to fully recognize Commissioner Yee and thanked Mr. Bustos for coming to recognize Commissioner Yee's service at his final Commission meeting. Mr. Peterson stated that he was sure that all of the Commissioners felt the same way, that they had enjoyed working with Commissioner Yee for many years.

REGULAR AGENDA

- 4 (b) Resolution No. 19-2007, Conditionally approving the schematic design for the Phase 3 improvements for the development of 1818-1822 Eddy Street, located on the north side of Eddy Street between Divisadero and Scott Streets; Western Addition Redevelopment Project Area A-2

Presenters: Elena Branick (Agency staff), Mark Topetcher (Architect)

Commissioner Covington asked how many monks would be able to live in the monastery.

Mr. Mark Topetcher, Architect, stated that there would be accommodations for 35, but that he wanted to clarify that although the building was being called a monastery, it was somewhat of a hybrid building where there would be some monks that would live in the building as well as guests that would come primarily from Taiwan. Mr. Topetcher stated that there would be six monks that would reside permanently in the building.

Commissioner Covington stated that she liked the building's design, especially the incorporation of the window treatments of the parish hall into the new structure. Ms. Covington requested verification that the 19 units would be market-rate units and that there would be 25 parking spaces. Ms. Covington asked if the housing units had been priced yet.

Mr. Topetcher affirmed that the 19 units would be market-rate units, and stated that 19 of the parking spaces would be for the condominiums and the remaining six parking spaces would be for the monastery. Mr. Topetcher stated that to his knowledge, the housing units had not been priced yet.

Commissioner Covington put forth a motion to adopt item 4 (b).
Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 19-2007, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE PHASE 3 IMPROVEMENTS FOR THE DEVELOPMENT OF 1818-1822 EDDY STREET, LOCATED ON THE NORTH SIDE OF EDDY STREET BETWEEN DIVISADERO AND SCOTT STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (c) Report on the funding of the Namiki Apartments, 1776 Sutter Street, as part of the Agency's Housing Preservation Program, Western Addition A-2 Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenters: Olson Lee (Agency staff)

Speakers: Gordon Chin, Beatrice Richardson, Rev. Gregory Richardson

Commissioner Yee stated that he never questioned Agency staff, but the process that Mr. Olson Lee used in the purchase of the Namiki Apartments was not normal procedures, because a corporation that had site control should not be able to purchase the property without any money deposited. Mr. Yee stated that he and the other Commissioners supported the Agency's Housing Preservation Program and that he was not questioning the tenants, but the process used by staff. Mr. Yee stated that he did not want the public to misunderstand him, but that he had over 40 years of experience in the real estate industry and therefore, had more knowledge. Mr. Yee stated that he appreciated staff's presentation especially for the benefit of the three new Commissioners, but that it was not proper for one single corporation to have site control and receive Agency funds. Mr. Yee stated that he requested the matter to be put on the Agenda in order for the Commission to have a full understanding of the funding for the Namiki Apartments. Mr. Yee stated that the residents had nothing to worry about because it was the Agency's duty to assist those in need.

4 (d) Workshop on the Agency's Certificate of Preference Program

Presenters: Olson Lee (Agency staff)

Speakers: Tony Taylor, Rev. Arnold Townsend, Ace Washington, Bobbie Webb, Dorothy Johnson, Kenneth Hurst

President Peterson requested that Mr. Olson Lee be available to respond to the public's questions about the Certificate of Preference Program.

Commissioner Covington stated that the Certificate of Preference Program was of great interest to her and that was why she wanted the matter on the agenda. Ms. Covington stated that she attended Supervisor Mirkarimi's Land Use Committee meeting and was there for two and a half hours of public testimony, which was painful testimony to hear because people were sad and upset with what had happened to the program in the Western Addition and how they felt that the program was handled. Ms. Covington stated that she was particularly dismayed to see the numbers that Mr. Olson Lee presented as follows: 4,729 certificates issued, 1,099 exercised, 484 cancelled, 387 active certificates and 3,055 with no current addresses. Ms. Covington stated that after 40 years of the program, the Agency had lost contact with certificate holders who had a right to a home in the Western Addition, and that number must go down. Ms. Covington stated that she appreciated the recent efforts to provide more information about the

program and that she visited the Agency's website earlier in the day and she was happy to see that the website had been updated to provide a link for the Certificate of Preference Program, but that the 18 pages of information was not easy to navigate and requested staff to look into ways of making it easier for the public to access the information. Ms. Covington stated that she also called the telephone number listed on the website, but that the message did not say anything about the program and simply asked the caller to leave a message. Ms. Covington stated she thought that there should be more specific information about what people could do to avail of the program and when they could expect a call back from staff. Ms. Covington stated that the Agency would be in the Western Addition for only two more years and that it was imperative that the problems with the program be corrected, and that this was not the last time the program would be on the Commission agenda. Ms. Covington stated that the Agency needed to look at the children of people who owned certificates and under America's capitalist system, properties owned by parents would naturally go to their children as the beneficiaries of what people had worked for. Ms. Covington stated that the children should get the certificates whether or not they were born at the time of displacement and that she should be able to present her birth certificate to the Agency, which would provide the legal proof that she was her mother's child, and everyone should have that right under the program's eligibility requirements, and after 40 years, which was a span of two generations, the Agency must look at the issue of the inheritance of the certificates. Ms. Covington stated that because the expiration of the redevelopment plan was fast approaching, the Agency must look at the support staff needed to look for the lost certificate holders and that with today's technology, anyone could be found and the Agency should explore all of the options available, including a private investigator or an outreach service, because the Agency had lost contact with over 3,000 people. Ms. Covington stated that the Agency's appeals process should be well-defined and transparent and people should not have to guess how long the appeal would take and what documents would be necessary. Ms. Covington stated that the Agency must redouble its outreach efforts because the usual newspaper advertisements and mailings were not enough and that maybe, there could even be a bounty of \$10 or \$15 for each certificate holder found. Ms. Covington stated that she was glad that she was able to work with the Executive Director and staff on the public service announcements to make sure that they were broadcast on KPOO Radio so that people could come to the Commission workshop because this was very important to her. Ms. Covington requested verification that the reason why the children may have not been listed on the site occupancy record was that they may have not been present when staff conducted the interviews. Ms. Covington asked what staff's rationale was for recommending the 10-year extension of the validity period, which was currently two years from project completion.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that the 10-year extension would provide the time to implement the proposed changes to the program and to address the concerns.

Commissioner Covington stated that the 10-year extension was a good idea. Ms. Covington stated that the Commission would be going through the process of reviewing the Agency's budget for the upcoming fiscal year, and that she would like to see included in the proposed 2007-2008 budget, designated staff for the Certificate of Preference Program, and maybe consider an ombudsman so that people having difficulty interfacing with the Agency would have someone who could help them. Ms. Covington stated that streamlining the process would be helpful and thanked staff for its presentation.

Commissioner Breed stated that she was not at all happy with what she heard about the Certificate of Preference Program and that based upon her personal experience before she became an Agency Commissioner, she recalled hearing the Agency's program was the best program compared to other programs, but that as far as she was concerned, the best was not good enough. Ms. Breed stated that she wholeheartedly agreed with Commissioner Covington that anyone could be found in with today's technology and that there was no excuse for the total neglect that had occurred with the certificate holders. Ms. Breed stated that she would like to propose that the current program be amended to allow the inheritance of the certificate so that children of certificate holders would not need anything other than their birth certificates to qualify under the program. Ms. Breed stated that her family was displaced and that changed her entire family completely, because being displaced and evicted out of your home was traumatizing and people never really recover from that. Ms. Breed stated that she thought that the Western Addition was a primary example of a community that had not recovered from the effects of redevelopment, and that decisions made by the Agency would never be enough as far as she was concerned. Ms. Breed stated that future decisions made by the Agency must be unprecedented and must be done in such a way that the decisions made would be aggressive and go beyond anything that had ever been done, because of what had happened in the past. Ms. Breed stated that she thought that the certificates should be passed on as an inheritance not only to the children, but also the grandchildren, and that the Commission should vote on her proposal. Ms. Breed stated that she also thought that the Agency should not budget for staff to work on the program, but that the Agency should issue a Request for Proposals (RFP) to contract with a group or organization that was community-friendly and people who already worked with the community in order to have an aggressive outreach program to find certificate holders. Ms. Breed stated that she felt that people outside of the Agency could work better with the community as well as the certificate holders. Ms. Breed stated that the concerns and questions raised by

members of the public should be responded to in writing and that copies of staff's responses be provided to the Commission. Ms. Breed stated that it was her understanding that a certificate holder would have the decision as to where they would like to be placed, and asked if there was ever a time during the history of the program where people were forced to be placed at a specific location or neighborhood.

Mr. Lee stated that he could not answer the question, but that the way the Agency operated currently, the Agency would provide notice of the opportunity to exercise the certificate, and the certificate holder would chose the specific development that had the housing opportunity.

Executive Director Rosen stated that staff had not seen anything in the program's historic record that indicated that people were placed with certificates of preference. Certificate holders were notified of the housing opportunity and if they chose to apply, they would be given preference in terms of going on top of the list for selection, provided that they met the other criteria of the program.

Commissioner Breed stated that she wanted to reiterate that the Commission be provided copies of staff's responses in writing to members of the public who testified at the meeting. Ms. Breed stated that she wanted to refer to the staff report, specifically the section dealing with the statutory basis for the program where it stated in part that the statutorily authorized compensation and assistance included a list of conditions and also stated that "In addition, redevelopment agencies have an obligation to replace any low or moderate income housing that it removes or causes to be removed within a four year period after the removal," and asked if that requirement was part of the amendment that was done in 1998.

Mr. Lee stated that the requirement was part of the current California Community Redevelopment Law (CRL), and that if the Agency was to demolish a housing unit, it would be obligated to replace the housing unit within four years.

Commissioner Breed asked if the replacement requirement under the CRL was in effect during the 1960s when the displacement occurred.

Mr. Lee stated that he believed that the replacement requirement was enacted in the late 1980s or early 1990s.

Executive Director Rosen stated that there were two separate requirements of the current CRL: one was relocation and the other, replacement of housing. Earlier relocation laws were in effect for urban renewal, but that the replacement housing obligation was post urban renewal. As the Commission might recall, that was one the basis for the SB2113 program,

which was enacted by the State Legislature in order to enable the Agency to continue to get funding to replace housing units that were lost prior to the one for one replacement obligation, and that citywide, there were about 6,700 units documented that were lost, not in the Western Addition, but all over the City.

Commissioner Breed stated that based upon the recommendations she had made earlier, she would like to see recommendations about the Agency's Certificate of Preference Program from both the Bayview Hunters Point Project Area Committee (PAC) and the Western Addition A-2 Citizens' Advisory Committee (CAC), and requested that the matter be calendared for discussion at the respective PAC and CAC meetings and come up with solutions for the program, but to also include the suggestions made by other Commissioners. Ms. Breed stated that since the Bayview Hunters Point and Western Addition communities were the most affected by the program, the Agency should solicit their input in order to develop a completely new program that would meet the needs of these communities.

Commissioner Romero stated he wanted to thank Mr. Olson Lee for his presentation, because in his nine years on the Commission, that was the first time he had heard such a comprehensive description of the Certificate of Preference Program. Mr. Romero requested verification that the Agency's Certificate of Preference Program was based upon State law, and that he would assume that in compliance with State requirements, the Agency also established rules on how the program would be administered. Mr. Romero asked if the Commission approved amendments to the program as the State law changed, and how long ago the Agency amended its program to comply with the changes in State law.

Mr. Lee affirmed that the Agency's Certificate of Preference Program was based upon State law, and that the Agency established the rules on how the program would be administered. Mr. Lee stated that the Commission did approve amendments to the program as the relocation laws changed, and that the Commission last approved amendments to the program in 1999.

Commissioner Romero asked if people who received certificates were asked to keep the Agency informed of any changes of address.

Mr. Lee stated that he was not sure and that clearly, the Agency was not doing as good a job as it could, but that the more recent list of certificate holders was kept up to date, and that the number of certificate holders for which the Agency did not have addresses dated back about 40 years.

Commissioner Romero stated that everyone knew what happened to mailing lists because as time passed, they were not updated as people moved or change telephone numbers. Mr. Romero asked if people who have certificates contacted the Agency to inform about change of address so that the Agency would know how to get in touch with them.

Mr. Lee stated that there had not been a significant number of certificate holders who contacted the Agency to update their contact information. Mr. Lee stated that one of the benefits of the public hearings both at the Board of Supervisors and the Agency Commission, including the series of public meetings held in 1999 when the program was amended, was that there were more people who did update their contact information, which increased the number of certificates issued by the Agency.

Commissioner Romero asked Mr. Lee to describe again the grounds upon which certificates would be cancelled, and specifically if there were grounds in which someone who received a legitimate certificate to begin with, could lose the right to the certificate.

Mr. Lee stated that certificates were cancelled if the Agency issued them in error and the other reason was the death of a certificate holder. Mr. Lee stated that there were no grounds in which someone who received a certificate would lose the right to that certificate, except when the certificate of preference was exercised. Mr. Lee stated that the program allows the certificate of preference to be exercised one additional time to upgrade from a rental to a cooperative and/or homeownership.

Commissioner Romero stated that a question had been raised as to whether a certificate of preference would be valid when a certificate holder attempted to exercise the certificate as a developer as opposed to someone exercising their right to move in to Agency-sponsored housing development, and asked if there was a provision in the law that permitted that.

Mr. Lee stated that there was a provision in the Certificate of Preference Program that all things being equal, the certificate holder would have a preference.

Commissioner Romero requested verification that a certificate holder wanting to exercise their certificate as a developer would have to meet all of the criteria for development, and for certificate holders wanting to avail of the housing opportunity, they would also have to meet all of the criteria to get the preference.

Mr. Lee affirmed that a certificate holder wanting to exercise their certificate to develop would still have to meet whatever the funding requirements were for that particular development. Mr. Lee stated that certificate holders wanting to avail of the housing opportunity would also have to meet all of the program's criteria to receive preference.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Ed Tong, Rev. Arnold Townsend, Leola King, Valerie Anderson Bell, Ace Washington, Minister Christopher Muhammad

7. **REPORT OF THE PRESIDENT**

- President Peterson stated that he did not have a formal report, but that he wanted to thank Commissioner Covington for taking the lead on the Certificate of Preference Program and staff for working with her to get the information together for the Commission workshop. Mr. Peterson thanked staff in advance for continuing to work with Commissioner Covington as the lead on the matter, and also thanked members of the public for their participation. Mr. Peterson urged staff to treat everyone with respect and to provide responses to the concerns and questions raised.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- KQED television show "Quest," airing at 7:30 p.m. (March 20th) featuring three green buildings in San Francisco, including the Plaza Apartments.
- The Plaza Apartments received a National American Institute of Architects (AIA) award for best supportive housing development among 17 national awards.
- Commission appointee Linda Cheu was confirmed by the full Board of Supervisors earlier in the afternoon (March 20th) and was in attendance at the Commission meeting observing the proceedings.
- The April 3rd Commission meeting would start one hour later at 5:00 p.m. instead of 4:00 p.m.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed requested staff to prepare a workshop on disability access for the Agency's housing developments. Ms. Breed stated that she had a lot of concerns about disability access and that she would like perhaps to have a presentation from the Mayor's Office on Disability to provide the Commission with an overview about disability access on housing and an update on what the Agency had done to address disability access.
- Commissioner Breed stated that she wanted to commend the citizens' advisory groups like the PACs and CACs, especially the Western Addition CAC because they held their meetings at her office, and that she had been very impressed with their attendance, their knowledge of the subject matter, their questions and concerns. Ms. Breed stated that she wanted to say publicly that she respected the decisions they made, the time and effort they put in the meetings, and that she would suggest planning some event that would celebrate the contributions of the PACs and CACs to show the Agency's respect and appreciation for their hard work.
- Commissioner Breed stated that she continued to be frustrated about the dust control issue at the Shipyard and that when the matter was heard before the Commission in November 2006 and after meetings were held to try and resolve the issues, violations continued and the non-response from both the contractor and the developer seemed arrogant, she suggested that the construction activities be halted in order to address the potential health impacts. Ms. Breed stated that although she wanted the construction activities to cease, she felt that she did not have the votes on the Commission to do that. Ms. Breed stated she thought that it was important for the Agency to stay on top of the matter and to bring an action item before the Commission to consider cessation of construction activities based upon new found information. Ms. Breed stated that the people most affected are primarily low-income African-American children and that if this occurred any other neighborhood in San Francisco, there would not be any problem with stopping the construction work. Ms. Breed stated she thought that the Agency should really explore the temporary cessation of the construction work until there was assurance that there were not any problems, otherwise the Agency should look into relocating the school, which she had previously suggested. Ms. Breed stated that she did not want the health concerns of any children on her hands as a Commissioner.

- Commissioner Breed stated that she was not yet ready to make a decision on the Certificate of Preference Program and that was why she suggested that the Bayview Hunters Point PAC and Western Addition CAC discuss the program to come up with recommendations to the Commission.
- Commissioner Yee stated that since this was his last Commission meeting, he wanted to share how honored he was to have served on the Agency Commission for almost 13 years and had the opportunity to know and work with so many wonderful people. Mr. Yee stated that he prided himself as a “straight-shooter” and that he was not afraid of anyone including Board of Supervisors President Aaron Peskin. Mr. Yee stated that he will be involved in the City for many years to come and that he was proud to have served the City in particular, the African American community. Mr. Yee stated that he recalled the Commission meeting of October 16, 2001 when the Commission discussed the Plaza Hotel and Supervisor Aaron Peskin and Supervisor Chris Daly urged the Commission to award the Plaza Hotel development to TODCO, but that the Commission decided to form the Public Initiatives Development Corporation to do the direct development of the Plaza Hotel instead. Mr. Yee stated that fortunately, then Mayor Willie Brown supported the direct development of the Plaza Hotel, which as mentioned earlier, had received numerous national awards, and that he wanted to thank Commissioners King and Singh and other former Commissioners for their support. Mr. Yee stated that he also recalled that some years ago, he was investigated for alleged wrongdoings, but that he was fully exonerated. Mr. Yee stated that during his tenure as a Commissioner, he had made many good decisions for the benefit of the City and County of San Francisco. At the last Commission meeting, he was the one who made the motion to designate 1210 Scott Street for the development of affordable housing that would benefit the African American community in the Western Addition. Mr. Yee stated that he was also proud that he was able to have Commissioner Rich Peterson, a newcomer to City politics, elected as Commission President for two consecutive terms, making Agency Commission history in the process. Mr. Yee stated that he had been in politics for over 30 years, which began in 1974 when he worked with former Governor Jerry Brown, and that he was still serving the current Governor of the State of California. Mr. Yee stated that he was going to miss his fellow Commissioners as well as Agency staff.
- Commissioner Yee stated that there was a letter provided to the Commissioners from the Asian Heritage Street Celebration, headed by Mr. Ted Fang, who was requesting \$18,206.44 from the Agency to fund the 4th Annual Asian Heritage Street Celebration to be held on Saturday May 19th on Howard Street between 5th and 7th Streets, which was within the South of Market Redevelopment Project Area under the Agency’s

jurisdiction. Mr. Yee stated that the requested funds would help generate the economy in the neighborhood and help stimulate the area to attract visitors and patrons. Mr. Yee stated that the program had the support of all the major groups in the South of Market area. Mr. Yee put forth a motion for the Commission to consider the funding request from the Asian Heritage Street Celebration.

- Commissioner Singh stated that he agreed with Commissioner Yee and seconded the motion.
- President Peterson stated that the event sounded wonderful, but that he would ask the General Counsel's opinion on Commissioner Yee's motion.

General Counsel James Morales stated that the proper motion would be to calendar the funding request at a future Commission meeting agenda.

- Commissioner Yee asked the General Counsel for clarification.

General Counsel Morales stated that pursuant to the Brown Act, the Commission could not take action on items not publicly noticed on an agenda.

- Commissioner Yee restated his motion that the funding request from the Asian Heritage Street Celebration be calendared for consideration at the April 3rd Commission meeting.
- Commissioner Singh seconded the motion.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT THE FUNDING REQUEST FROM THE ASIAN HERITAGE STREET CELEBRATION BE CALENDARED FOR CONSIDERATION AT THE APRIL 3RD COMMISSION MEETING.

- Commissioner Singh stated that it was months ago when Minister Christopher Muhammad appeared before the Commission when he informed about the potential health hazards caused by the dust at the Shipyard, and that he (Mr. Singh) was very upset about the situation. Mr. Singh stated that he agreed with Commissioner Breed's comments that everything should be done to resolve the toxic dust at the Shipyard.
- Commissioner King stated that he wanted to thank Commissioner Benny Yee for his 13 years of service to the Redevelopment Agency, and that Mr. Yee was one of the best Commissioners that the Agency Commission ever had. Mr. King stated that he supported Mr. Yee when

he was elected as Commission President. Mr. King stated that he came to San Francisco in 1942 and was appointed to the Agency Commission in 1980, but that he was working on redevelopment issues long before he came to the Commission and had lived in the Western Addition community for over 43 years. Mr. King stated that he wanted to say publicly that Mr. Yee was always supportive of the African American communities in the Western Addition and Bayview Hunters Point, and urged Mr. Yee to not go too far and to continue to work with the Agency Commission. Mr. King stated that he also wanted to welcome the newly appointed Commissioner, Ms. Linda Cheu and that he thought she would do a good job as an Agency Commissioner. Mr. King stated that he would miss Mr. Yee and that he hoped that the Mayor would see fit to appoint Mr. Yee to some other City Commission because of his experience and service to the City. Mr. King thanked Mr. Yee for his years of service on the Agency Commission.

- Commissioner Covington stated that she would be brief with her praises for Commissioner Yee, because it was the tradition that after a Commissioner leaves the Commission that there would be a commendation resolution to honor his or her services. Ms. Covington stated that she hoped that Mr. Yee would come back to the next Commission meeting to hear more words of praise, and that although she did not know Mr. Yee before she came on the Commission, she really admired his energy and enthusiasm and that his heart was always in the right place, and that she really appreciated his counsel and good works.
- President Peterson jested that the General Counsel informed him that Mr. Yee would not be allowed to speak at the next Commission meeting and could only listen to all the accolades.
- Commissioner Covington asked Ms. Amy Brownell of the Department of Public Health (DPH) to provide context for Minister Christopher Muhammad's earlier comments about the dust control issue at the Shipyard.

Ms. Amy Brownell from the DPH, stated that as far as issues regarding asbestos and dust control, staff had provided memoranda to the Commission, and that she did not have any new updates as the DPH continued their daily unannounced site inspections and had not found any problems with regard to dust control. Ms. Brownell stated that an earlier informational memorandum was provided to the Commission with an attachment of an exposure assessment memorandum, and staff could if the Commission desired, conduct a workshop on this to provide details about the exposure assessment, including the analysis of data collected from the site. Ms. Brownell stated that the DPH continued to work with the Bay

Area Air Quality Management District (BAAQMD) about the two asbestos monitors, one for Lennar's asbestos dust mitigation plan and the additional monitors that were added as part of the community monitoring network. Ms. Brownell stated that they had not heard back from Dr. Muhammad on the issue of protocols for health testing and screening of students and staff at the school.

- Commissioner Covington asked if Ms. Brownell had received numerous complaint calls from Minister Muhammad or Dean Muhammad and other members of the community adjacent to the construction site.

Ms. Brownell stated that she had not received any complaint calls since the last time she spoke with the Commission. Ms. Brownell stated that Dean Leon Muhammad had been in touch with her to discuss monitoring and construction schedule issues, but that she did not recall any complaints about the dust issue for the last six weeks.

- Commissioner Covington requested verification that the misting systems were operational on the weekends.

Ms. Brownell stated that as reported by Lennar, the misting systems were operational, but that she was not sure about the weekends and she would check with Lennar.

- Commissioner Covington stated that had been an ongoing concern of hers, and that it was troublesome to keep hearing the same complaints about the dust control issue, and that if there were problems with the first Shipyard parcel with many more parcels left to be developed, this was a big concern. Ms. Covington asked the Executive Director to provide additional information.

Executive Director Rosen stated that she listened carefully to Minister Muhammad's testimony and that she did not believe he was stating that there was a new situation, and that she thought he was restating the earlier request he made to the Commission that the project be stopped because of the problems that were there in the past and not any new problems. Ms. Rosen stated she did not think there was additional new information to provide, but that potentially because of recent publicity about the issue in the press, it was generating some new concerns, but that it was not because of any new problems. Ms. Rosen stated she thought that the modifications and enhancements that were made to the dust control program as a result of the earlier problem have addressed the issues with the additional monitoring, additional staff on site, regular watering of the site and Lennar's additional due diligence. Ms. Rosen stated she believed that the situation was under control to the satisfaction of the regulators, including the DPH and the BAAQMD.

- Commissioner Covington stated that she was sure that the matter would come back before the Commission again as Commissioner Breed had requested.
- Commissioner Covington stated that concerning the changes to the Certificate of Preference Program, the reason why she did not put forward any motion was because she thought that what the Agency needed was a comprehensive overhaul of the program, and that she agreed with Commissioner Breed that it would be good to look at suggestions from the PAC and CAC.
- Commissioner Covington stated that she wanted to acknowledge receipt of the Brown Act and the Community Redevelopment Law, and that she thought that the Commissioners needed a short overview of the highlights of the statutes that the Commissioners should focus on.
- Commissioner Romero stated that he would have more to say about Mr. Yee at the next Commission meeting, but that he wanted to acknowledge Mr. Yee's contributions. Mr. Romero stated that although there were differences of opinions with Mr. Yee, it was a joy when there was agreement, and that if anyone looked at the Commissioners' voting record, one would see that he and Mr. Yee voted the same way many more times than they did not, and that when some of the differences came up, they were both very passionate about their positions. Mr. Romero stated that he would recognize Mr. Yee for his passion and for being a person of strong beliefs and a moral character. Mr. Romero stated he recalled that at the last Commission retreat, he and Mr. Yee were paired together on a one-on-one discussion, and he learned a lot about Mr. Yee, that he is a good man at heart and that he would continue to be politically involved in San Francisco for many years to come.
- Commissioner Romero stated he thought that the Executive Director was correct in that the Agency had dealt with the dust control issues at the Shipyard over the last few months and the reason why the subject was brought up again, was because of the lawsuit filed by people who worked for Lennar. Mr. Romero stated that the allegation was not that there were new dust problems, but that the allegation was that they (Lennar employees) were told not to talk about the dust control issues. Mr. Romero stated that he would like the Commission to be briefed on what potential effects that litigation could have on the Agency, with respect to potential liabilities and whether there was anything in the laws that governed the Agency's authority that it should be considering in relation to the litigation. Mr. Romero stated that he hoped that the Commission would make the distinction that one issue was whether anyone had been harmed as a result of the dust issue that occurred at the

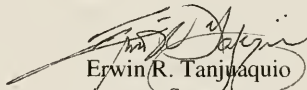
Shipyard, which everyone hoped that was not the case. Mr. Romero stated he thought that the Commissioners should be very careful to not take a side, one way or the other until advised by the General Counsel. Mr. Romero stated he thought that the Commission's primary interest should be in what the Commission's responsibility was in relation to the issues.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:26 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

April 3, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
3RD DAY OF APRIL 2007

DOCUMENTS DEPT

APR 19 2007

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 5:00 p.m. on the 3rd day of April 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 5:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

NOTE: The April 3rd Commission meeting was Commissioner Linda Cheu's first Commission meeting.

Joanne Sakai, Acting Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of March 20, 2007
- 4 (b) Resolution No. 20-2007, Authorizing a fifth amendatory agreement to the agreement for disposition of land for private development with Access to Housing, Inc., a California nonprofit public benefit corporation, to extend the term of affordability restrictions in connection with the sale of the Junipero Serra House Apartments located at 926 Fillmore Street to Junipero Serra LLC, a California limited liability company, affiliated with Mercy Housing California; and authorizing a subordination agreement with Fannie Mae, a federally chartered and stockholder owned corporation, and Junipero Serra LLC to facilitate the issuance of housing revenue bonds by the California Municipal Finance Authority; a California Joint Powers Agency; Western Addition Redevelopment Project Area A-2
- 4 (c) Resolution No. 21-2007, Authorizing the application and acceptance of a grant from the U. S. Department of Housing and Urban Development for a total amount not to exceed \$1,430,000 to fund the Second Start Program, a partial rental subsidy and service program, as part of the Housing Opportunities for Persons With AIDS Special Projects of National Significance Program; Housing Opportunities for Persons With AIDS Program
- 4 (d) Resolution No. 22-2007, Authorizing a Third Amendment to the Personal Services Contract with Urban Strategies Council, a California nonprofit corporation, to increase the contract in an amount not to exceed \$26,662, for a total aggregate amount not to exceed \$389,584, to provide additional technical assistance and outreach services to the Hunters Point Shipyard Citizen's Advisory Committee in connection with the formation of a quasi-public entity; Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a), APPROVAL OF MINUTES: MEETING OF MARCH 20, 2007 (MS. CHEU ABSTAINED), 4 (b) RESOLUTION NO. 20-2007, AUTHORIZING A FIFTH AMENDATORY AGREEMENT TO THE AGREEMENT FOR DISPOSITION OF LAND FOR PRIVATE DEVELOPMENT WITH ACCESS TO HOUSING, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM OF AFFORDABILITY RESTRICTIONS IN CONNECTION

WITH THE SALE OF THE JUNIPERO SERRA HOUSE APARTMENTS LOCATED AT 926 FILLMORE STREET TO JUNIPERO SERRA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AFFILIATED WITH MERCY HOUSING CALIFORNIA; AND AUTHORIZING A SUBORDINATION AGREEMENT WITH FANNIE MAE, A FEDERALLY CHARTERED AND STOCKHOLDER OWNED CORPORATION, AND JUNIPERO SERRA LLC TO FACILITATE THE ISSUANCE OF HOUSING REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY; A CALIFORNIA JOINT POWERS AGENCY; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, 4 (c) RESOLUTION NO. 21-2007, AUTHORIZING THE APPLICATION AND ACCEPTANCE OF A GRANT FROM THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR A TOTAL AMOUNT NOT TO EXCEED \$1,430,000 TO FUND THE SECOND START PROGRAM, A PARTIAL RENTAL SUBSIDY AND SERVICE PROGRAM, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SPECIAL PROJECTS OF NATIONAL SIGNIFICANCE PROGRAM; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, AND 4 (d) RESOLUTION NO. 22-2007, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH URBAN STRATEGIES COUNCIL, A CALIFORNIA NONPROFIT CORPORATION, TO INCREASE THE CONTRACT IN AN AMOUNT NOT TO EXCEED \$26,662, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$389,584, TO PROVIDE ADDITIONAL TECHNICAL ASSISTANCE AND OUTREACH SERVICES TO THE HUNTERS POINT SHIPYARD CITIZEN'S ADVISORY COMMITTEE IN CONNECTION WITH THE FORMATION OF A QUASI-PUBLIC ENTITY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No. 23-2007, Commending and expressing appreciation to Commissioner Benny Y. Yee for his services upon the occasion of his departure from the Redevelopment Agency of the City and County of San Francisco

Commission Secretary Erwin Tanjuaquio read the commendation resolution for Commissioner Benny Y. Yee.

President Peterson stated that he knew that Mr. Yee regretted not being able to attend the Commission meeting, because Mr. Yee was feeling under the weather, but that he was going to tune in the radio broadcast. Mr. Peterson stated that he had known Mr. Yee for a total of three years, two years on the Agency Commission and that Mr. Yee was a character of the first degree,

and that Mr. Yee was very committed to the City and, in particular, the objectives of the Redevelopment Agency. Mr. Peterson stated that he knew that everyone was disappointed to see Mr. Yee depart the Agency Commission, but that Mr. Yee would certainly have a lot to say on another City Commission in the near future. Mr. Peterson stated that he would miss Mr. Yee and that he looked forward to developing their mutual friendship in the coming years. Mr. Peterson thanked Mr. Yee for his contributions and his friendship.

Commissioner Singh stated that he would miss Mr. Yee very much and that Mr. Yee was a very good Commissioner. Mr. Singh put forth a motion to adopt item 4 (e).

Commissioner Covington stated that Mr. Yee was a bright light, a wonderful, marvelous and energetic spirit and definitely a "straight-shooter." Ms. Covington stated that Mr. Yee was more like an uncle who was more than willing to give his advice, and that she had really enjoyed her time with Mr. Yee on the Agency Commission, especially the lunches and dinners because Mr. Yee was a very gracious host and a gracious gentleman. Ms. Covington stated that she would miss Mr. Yee greatly and that she looked forward to seeing him outside of the Commission.

Commissioner Romero stated that he hoped Mr. Yee was listening on the radio broadcast and that the commendation resolution said it all. Mr. Romero stated that he agreed with the part of the resolution which stated that Mr. Yee was never just a rubber stamp because Mr. Yee was just the opposite as he had very strong views and was not afraid to assert them. Mr. Romero stated that although he and Mr. Yee disagreed many times, he respected his views and that he knew that Mr. Yee respected his views. Mr. Romero stated that although the public may sometimes see that he and Mr. Yee were really fighting with each other during the meetings, that was not the case outside the Commission meetings because Mr. Yee was nothing but a gentleman, and that he would miss Mr. Yee very much. Mr. Romero stated he thought that Mr. Yee was a demanding Commissioner, which made everyone on the Commission better as well as Agency staff, in terms of responding to Mr. Yee's requests for information and reports. Mr. Romero stated that he wished Mr. Yee the very best and that Mr. Yee was a kind man at heart, and that everything he did on the Commission whether people agreed with him or not, was done with the sincerity of good intentions for what he thought was the best interest of the City, which he loved dearly. Mr. Romero wished Mr. Yee the best and that he hoped that Mr. Yee would catch a lot of fish.

Commissioner King stated that he would really miss his old buddy and that although a lot of nice things were being said about Mr. Yee, he (Mr. King) had not heard them while Mr. Yee was on the Agency Commission. Mr.

King wished Mr. Yee well and thanked him for his services and looked forward to seeing him soon.

Commissioner Covington seconded Commissioner Singh's motion to adopt item 4 (e).

Commissioner Cheu stated that although she did not have the opportunity to serve with Mr. Yee, she certainly admired his dedication to the Agency Commission over the years. Ms. Cheu stated that in the last few weeks, she had the opportunity to interact with Mr. Yee and that he had been extremely gracious, welcoming and helpful to her during the transition. Ms. Cheu stated that she joined everyone in thanking Mr. Yee for his services.

Commissioner Breed stated that one of the things she respected about Mr. Yee was his consistent support for the public and the "underdog," and that she was going to miss that because it was great to have Commissioners with diverse backgrounds and opinions that provided a way for others to see a viewpoint that may have not been obvious. Ms. Breed stated that she hoped other Commissioners would strive to set the same example as Mr. Yee did.

President Peterson stated that what he would remember most about Mr. Yee was his parliamentary and procedural jousts with the Agency's General Counsel, Mr. Morales. Mr. Peterson stated that he recalled one Commission meeting where Mr. Yee was in total disagreement with the General Counsel on some procedural matter, and that he (Mr. Peterson) wagered Mr. Yee publicly, that he was wrong, and that Mr. Yee lost the wager and he bought dinner to pay for the wager. Mr. Peterson stated that Mr. Yee was a lot of fun and that he would be missed at the Commission and wished him the very best.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 23-2007, COMMENDING AND EXPRESSING APPRECIATION TO COMMISSIONER BENNY Y. YEE FOR HIS SERVICES UPON THE OCCASION OF HIS DEPARTURE FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

Items 4 (f) and (g) are related to the 1210 Scott Street property.

- 4 (f)** Resolution No. 24-2007, Rescinding the motion adopted by the Commission at the closed session meeting of March 6, 2007 to instruct Agency staff to designate the property located at 1210 Scott Street for the development of affordable housing and to immediately issue a Request for Proposals for the development of 1210 Scott Street

- 4 (g) Resolution No. 25-2007, Authorizing the issuance of a Request for Proposals (RFP) for the development of approximately 18 to 20 units of affordable homeownership housing at 1210 Scott Street (Block 0729, Lot 044); Western Addition Redevelopment Project Area A-2

Speakers: Patricia James, Noni Richen, Ross Snow, Margaret Verges, Ace Washington

President Peterson stated that there was no disrespect intended when the matters were calendared for the April 3rd Commission meeting and that it was appropriate to continue the items to the next Commission meeting on April 17th.

Commissioner Covington put forth a motion to continue items 4 (f) and (g) to the Commission meeting of April 17, 2007. Commissioner Singh seconded the motion.

MOTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEMS 4 (f) RESOLUTION NO. 24-2007, RESCINDING THE MOTION ADOPTED BY THE COMMISSION AT THE CLOSED SESSION MEETING OF MARCH 6, 2007 TO INSTRUCT AGENCY STAFF TO DESIGNATE THE PROPERTY LOCATED AT 1210 SCOTT STREET FOR THE DEVELOPMENT OF AFFORDABLE HOUSING AND TO IMMEDIATELY ISSUE A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF 1210 SCOTT STREET, AND 4 (g) RESOLUTION NO. 25-2007, AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS (RFP) FOR THE DEVELOPMENT OF APPROXIMATELY 18 TO 20 UNITS OF AFFORDABLE HOMEOWNERSHIP HOUSING AT 1210 SCOTT STREET (BLOCK 0729, LOT 044); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE CONTINUED TO THE APRIL 17, 2007 COMMISSION MEETING.

- 4 (h) Status report on the developer selection for the development of approximately 32 units of low and moderate-income first-time ownership housing at 1345 Turk Street; Block 756, Lot 001, Western Addition Redevelopment Project Area A-2

Presenters: Michele Davis (Agency staff)

Commissioner Breed stated that she disagreed with the notion of both developers working together on the development project, and that she thought that would prolong the process. Ms. Breed stated she thought that the developer selection for 1345 Turk Street should be calendared for the next Commission meeting in order for the Commission to take the recommendation of the Western Addition Citizens' Advisory Committee

(CAC). Ms. Breed stated that she had a problem with how the development would be done with one developer proposing apartment or condominium units and the other proposing townhomes because townhomes were not accessible to persons with disabilities, and that she recalled at the previous Commission meeting that she had requested a presentation from the Mayor's Office on Disability to have a discussion about disability access for Agency housing development, and that the presentation should be calendared soon.

Commissioner Romero stated that the 1345 Turk Street project was before the Commission previously and the Commission did not adopt any resolution to select a developer for the project, and asked what options the Commission had in moving forward with the project.

General Counsel James Morales stated that the Commission had the option of (1) completing the Request for Proposals (RFP) process and selecting one of the developers that submitted a proposal, (2) the Commission could essentially toss the RFP process and start the selection process again, or (3) the Commission could toss the RFP process and consider a new proposal from a joint development team. Mr. Morales stated that the last two options would void the RFP process.

Commissioner Romero stated that during his time on the Commission, the Commission had not previously made a decision to select one developer and suggested a joint development effort, and asked if that was still within the Commission's authority.

Mr. Morales stated that under the RFP, there was a provision that the Commission retained the authority to make changes to the RFP, which was a broad statement of the Commission's authority to change the rules, but that the Commission should always act in a reasonable and non-arbitrary way when it changed the rules. Mr. Morales stated that the RFP in fact, granted the Commission a certain amount of authority to change or void the process, but that the Commission should be careful in doing so.

Commissioner Romero stated that it appeared to him that both development teams had played by the rules and did what they were asked to do by the RFP, and when the selection came before the Commission, it could not make a decision. Mr. Romero stated that he wanted to be fair to everyone and hoped that the selection would be resolved soon, before another developer came since the Commission had not made a decision to select a developer. Mr. Romero stated that he hoped that whatever course of action the Commission considered that it would do so decisively because he did not want to see any further delays.

Commissioner Breed stated she thought that by asking the two developers to work together on the particular project, the Agency was setting a bad precedent, and that the Agency not supporting the recommendation of the CAC would also set a terrible precedent, primarily because the Agency had a terrible reputation in the Western Addition and regardless of the three Agency Commissioners from the Western Addition serving on the Commission, there continued to be problems between the community and the Agency. Ms. Breed stated that when the Agency did not take seriously the recommendations of the community, then the Agency, she thought, was demonstrating that the Agency did not truly value their opinions and their time as volunteers, the same way that Commissioners serve on the Commission. Ms. Breed stated that members of the CAC spent a lot of time and did a lot of work on the project reviewing proposals from the developers, and that according to some members of the CAC, a lot of the problems with the selection process was with Agency staff, and that she was tired of hearing continued complaints about staff regarding the Western Addition, and that by supporting the merger of the two developers, the Commission was not using its best judgment to make a decision to support the people that live and work in the community. Ms. Breed stated that based upon comments from several CAC members, the Commission should say to the CAC that it would support their recommendation, agree with their decision and to move forward with the development project, because that was what the community wanted and what they thought was best for their and her community. Ms. Breed stated that she wholeheartedly supported the CAC and that when the matter was before the Commission previously, she was torn because as much as she wanted to support the CAC at the time, she was not aware of all the dynamics of why things happened the way they did, but now that she had the opportunity to look closely at all of the details and options, and had discussions with members of the CAC, she was confident in supporting wholeheartedly the recommendation of the CAC. Ms. Breed stated she thought the matter should not be delayed any longer and that a decision should have been made. Ms. Breed stated that the matter was last heard three Commission meetings ago and was delayed for two Commission meetings and now the matter was brought to the Commission as an informational matter when the Agency should be moving forward as expeditiously as it could. Ms. Breed stated that this was one of the complaints that had been expressed with other properties in the Western Addition, that the projects were being delayed when the Agency was leaving the Western Addition in 2009. Ms. Breed stated that with regard to the 1345 Turk Street project, she thought that the matter should be calendared for the next Commission meeting so that the Commission could make a decision on whether or not the Agency should support one developer or the other. Ms. Breed stated she did not think that the two developers should be forced to work together.

Commissioner King stated he agreed with Commissioner Breed because the Commission voted down one developer when it first considered the matter, and then the two developers were asked to work together, which was not proper procedure. Mr. King stated that he certainly agreed that the matter should be calendared at the next Commission meeting to follow the recommendation of the CAC, because the CAC represented the community and advised the Agency on such matters.

Commissioner Covington stated she certainly thought that the matter should be before the Commission for a vote fairly soon, but that she wanted to point out that the Agency did not ask the two developers to work together, and that it was Rev. Edgar Boyd when he addressed the Commission, that conversations had begun between the two developers about a possible joint development, so that was not initiated by Agency Commissioners or staff. Ms. Covington requested staff to provide more detail with respect to a joint development proposal as well as an estimated timeline for completing the joint proposal for consideration by the Commission.

Ms. Michele Davis, Development Specialist, stated that staff understood that it was the Commission's desire for the two developers to work on a consolidated proposal and so the two developers had been working together to refine a joint proposal and to develop the best approach. Ms. Davis stated that as the Commission knew, the evaluation panel comprised of Agency staff and CAC members selected the Michael Simmons townhome design over the proposal for flats, and that they were at a point of developing a budget as well as figuring out the roles of the respective consultants from each development team with a consolidated proposal.

Commissioner Covington asked if staff anticipated that the negotiations would be concluded in two weeks for presentation to the Commission.

Ms. Davis stated that she had been informed that a budget would be provided to her within one week, and if that was the case, the matter could be before the Commission at its next meeting.

Commissioner Covington stated that she would encourage all parties involved to expedite the process.

President Peterson stated that Commissioner Covington had a good memory and was correct that it was not the Agency that proposed a joint development. Mr. Peterson stated that in fact, he made it clear that he did not think that the two developers should work together because it would cause more unnecessary delays and would likely be less efficient from a business standpoint, but that the Commission was happy to go along with Rev. Edgar Boyd's wisdom as a community leader. Mr. Peterson stated that he had a good relationship with Rev. Arnold Townsend and that there was

no rift in that ongoing relationship. Mr. Peterson stated that the Agency should very much take seriously what the CAC had to say in every case possible, but that if the Commission was going to continue to exist along with the CAC, he did not feel compelled to necessarily go along with CAC recommendations in every case. Mr. Peterson stated that he did not know exactly what his voting record was, but that he was certain that he had agreed with the CAC recommendations on matters, but that would not always be the case, and that he believed it was fair to have two bodies making separate considerations. Mr. Peterson stated he thought that it was unfair to the Commission that if there was a case where it disagreed with the CAC on a particular matter, to suggest that the Commission did not care about the CAC or the importance of having a CAC. Mr. Peterson stated that he would echo the sentiments of his fellow Commissioners to move forward in selecting a developer as soon as possible.

Commissioner Cheu stated that she echoed the comments about the timeline and process and that she would like to hear from the developers whether or not they felt confident of coming up with a workable project in the next few weeks.

Mr. Michael Johnson from Em Johnson Interest, stated that he and Mr. Michael Simmons had been working with Agency staff and the CAC to develop a combined proposal, and that their goal was to complete that in the next few days, but that he was not certain if they would have everything completed in time for the Commission's consideration at its next meeting. Mr. Johnson stated that they would have to advise staff and the Commission with the status of their efforts.

Mr. Michael Simmons stated that he agreed with Mr. Johnson's comments.

Commissioner Breed requested verification that the two developers were working on the townhome design for the combined proposal and that the CAC was supportive of that.

Ms. Davis stated that the evaluation panel had expressed a preference for the Michael Simmons townhome design and that was the design concept that the two developers were working toward in the combined proposal. Ms. Davis stated that the CAC had a general discussion about the combined proposal, but it was not an action item.

Commissioner Breed asked if the matter had come before the CAC since the Commission first considered the project.

Ms. Davis stated her understanding was that there was no reason to bring the matter back to the CAC.

Commissioner Breed stated that she wanted to repeat what she had said previously, that there was a problem with townhomes and accessibility. Ms. Breed stated she thought that it was important to understand that townhomes were not accessible and that she would like to understand how disability access would be provided in either development option. Ms. Breed stated that as far as she was concerned, she would not support a merger and would only support the recommendation of the CAC, which was a reasonable recommendation, and in moving forward, she would like to see the option to consider the CAC's recommendation on the next Commission meeting agenda.

Rev. Arnold Townsend stated that he wanted to inform the Commission that since the discussion of the merger, all that the CAC had was an update, and in that update, there was no discussion of the townhome design. Rev. Townsend stated that if the Commission would recall, the CAC made its decision because it was not in favor of the townhome design, and although the evaluation panel selected the townhome design, the Commission should realize that the evaluation panel was primarily comprised of Agency staff, and it was the staff's desire that prevailed and the CAC had not been part of the negotiations or discussions.

Commissioner Romero stated now that Mr. Benny Yee was no longer on the Commission he would invoke his name and say that he did not consider himself a rubber stamp for anybody or any entity. Mr. Romero stated that the standard procedures for such matters involved an interview process with presentations and discussions at the CAC and following input from everyone concerned, the matter was brought before the Commission's consideration usually with a staff recommendation, but in this case, there was no staff recommendation because the two proposals were considered to be so close and even. Mr. Romero stated that there was a position taken by the Western Addition CAC, and whether it was the CAC or a Project Area Committee (PAC) making a recommendation, he placed a heavy weight in considering their decisions as long as it appeared that they had done everything properly and followed procedures. Mr. Romero stated that even when that was done, and he did not think there was any question with the propriety of the CAC's recommendation, the CAC's recommendation was just one factor to be considered as well as staff's input and other members of the public who may live in the affected community and are not members of the CAC or the PAC, these were all things that as a Commissioner, he had to consider in making a decision. Mr. Romero stated that he would not rubber stamp the CAC, staff or the PAC, and as Rev. Townsend pointed out at previous meetings, even the Commission made mistakes and so could the CAC and PAC, and the Commission had to make its own decisions based upon its judgment and reverse its decisions when it made bad decisions. Mr. Romero stated that was why Commissioners had to exercise independent

judgment and that was why they had to go through the political process of being appointed by the Mayor and confirmed by the Board of Supervisors in order to see how Commissioners would exercise their independent judgment on important matters. Mr. Romero stated that when everyone was not able to make a decision, the Commissioners had to be decisive and that he would not always go along with the CAC 100% of the time, and although it was important to have the input, the Commission had to make the decisions not only because it had the authority, but also the responsibility to do so. Mr. Romero stated he thought that either developer could to a good job as well as a joint development and that he believed there would be a great outcome, but that he did not want the Commission to fall into a pattern of rubber stamping the CAC.

Commissioner King stated that all Commissioners knew that PACs were authorized under State law and that the PACs exist to provide advice and recommendations to the Agency. Mr. King stated that the Agency should follow the recommendations of the CAC because the members represented the community and they were the ones who worked and lived in the community and conducted community meetings about issues affecting their community. Mr. King stated that the PACs held elections every year to have representation from the community, and while the CACs were different, they still provide advice and recommendation to the Agency.

Commissioner Breed stated that she wanted to be clear that as everyone knew, she had lived in the Western Addition all of her life and that she also served on the CAC before she was appointed as an Agency Commissioner, and that she had personally experienced the same concerns that CAC members had experienced with obtaining information from Agency staff and in many cases, not receiving information in a timely manner. Ms. Breed stated that her concerns stemmed from her personal experience and her desire to see the Western Addition become a better place, and that unfortunately, gentrification had done its damage and her family and peers could no longer afford to live in the community. Ms. Breed stated that she took her position as Commissioner and a life-long Western Addition resident seriously, but also took the recommendations of the CAC very seriously, and if there was ever a time when she believed that a CAC or PAC was acting inappropriately, or the decision was something she could not live with, or could possibly be detrimental to the future of that community, then she would have to make the right decision and that decision may go against the recommendation of the CAC or PAC. Ms. Breed stated that in the case of 1345 Turk Street, there were two qualified developers and the CAC for numerous reasons, chose one developer over the other, and that her own reasoning to support Michael Johnson had a lot to do with the CAC's decision and that the units would be accessible, and that it was her desire for the Agency to empower the community and the CAC to give them the support they deserved. Ms. Breed stated that as a

Commissioner, she was really tired of hearing complaints about the Agency and concerns from so many members of the community, and the articles she read about the Agency, and that the Agency's reputation was really bad with community leaders, politicians and regular community people and even from wealthy developers. Ms. Breed stated that she did sit on the Commission to be a rubber stamp or to do anyone's bidding and that she did not answer to anyone in particular except God, and that what she did came from the heart because she loved her community and it deserved the best, and in this particular case, she supported them wholeheartedly and that was why the matter should be calendared for the next Commission meeting. Ms. Breed stated she felt very strongly that by pushing a merger even though it was not suggested by the Commission or staff, she believed that would set a bad precedent in future development projects. Ms. Breed stated that the RFP should not be rescinded and that the Commission should weigh all of the factors in its decision, including community concerns, CAC recommendation as well as staff considerations.

Commissioner Covington stated that as a volunteer herself, she appreciated the hours, time, effort, energy and creativity that members of the CAC put into their deliberations, and that as a small business owner, she very much appreciated the amount of time, effort and money that people had to spend in order to respond to the Agency's RFP. Ms. Covington stated that both of the developers were extremely qualified, but they are not Fortune 500 companies and they do not have the time and resources to respond to a RFP only to have the process circumvented, because the evaluation process was clear and the evaluation panel met and voted to select the Michael Simmons' proposal. Ms. Covington stated that she always asked for a level playing field as an African American woman and as a micro business owner and that she did not like it when people changed the rules of the game midstream because that would not be fair. Ms. Covington stated that Commissioners always complained about that, but that would be what the Commission would be doing if did not wait for the process of collaboration to conclude to see if would work or not. Ms. Covington stated that if for some reason, the collaboration did not work, then she would have to go with Michael Simmons because he scored the most points in the evaluation, and if there was a problem with the evaluation process and if it is flawed, then the Agency must correct the flaws moving forward. Ms. Covington stated that there had been a lot innuendos and complaints about what might have happened in the selection process, and that people had to be more forthcoming about what their actual complaint was about what actually happened, because there was no way the Commission could address the need for change without knowing what needed to be changed or who needed to be changed. Ms. Covington urged people to address the Commission and to be candid about their concerns.

- 4 (i) Considering a funding request from the Asian Heritage Street Celebration in the amount of \$18,206.44 for the 4th annual Asian Heritage Street celebration along Howard Street between Fifth and Seventh Streets within the South of Market Redevelopment Project Area; South of Market Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Joyce Aldana, Al Perez, Helene Kim, Kathy Perry

Commissioner Singh stated that over 35% of San Francisco's population is Asian American and that the Agency had previously funded other community events such as the Cherry Blossom and Juneteenth festivals, and the funding request from the Asian Heritage Street Celebration was within the South of Market Redevelopment Project Area, so it was important for the Agency to approve the funding request in the amount of \$18,206.44. Mr. Singh stated that \$6,889.44 would pay for the Department of Parking and Traffic's services, \$5,317.00 for the San Francisco Police Department, and \$6,000.00 for community programs. Mr. Singh put forth a motion to approve the funding request in the amount of \$18,206.44 from the Asian Heritage Street Celebration.

Commissioner Romero asked if the Agency had funded other fairs, parades and events other than the Juneteenth festival.

Mr. Mike Grisso, Project Manager, stated that he could not speak for the Agency as a whole and could only speak to the South of Market Project Area.

Acting Executive Director Joanne Sakai stated that since she joined the Agency in 2002, she believed that Juneteenth was the only community festival that the Agency had funded, and as the Commission was aware because of the sunset of the Western Addition A-2 Redevelopment Plan, the Agency was not continuing that funding.

Commissioner Romero stated that the Agency policy stated that the Agency would fund street fairs, parades, etc. no more than 75% of events' total verified expenses in any one year and no more than 50% of events' total verified expenses in year two, no more than 20% of events' total verified expenses in year three, and that under no circumstances the Agency would fund 100% of events' total verified expenses. Mr. Romero asked if the Agency had followed the policy with respect to Juneteenth.

Ms. Sakai stated that historically, the Juneteenth Festival had been funded by the Grants for the Arts as established under the Agency policy, and that to her recollection, the Agency had not funded 100% of the event, and in the

last few years, the Agency had worked with the Juneteenth Committee to try to interject a matching funding component for their fundraising so that it could become more self-sufficient.

Commissioner Romero stated that the basis for staff's recommendation to not approve the funding request was the Agency policy under Resolution 59-94, and that he wanted to make sure that the Agency was following the policy with respect to all events, parades and street fairs that the Agency contributed money for before denying a funding request on the basis of the policy. Mr. Romero stated that he wanted to make sure that the policy was applied equally for all such funding requests, and if that was not the case, he would suggest continuing the matter to the next Commission meeting until there was more information.

Ms. Sakai stated that as established in the policy, the Juneteenth Committee had been receiving funding through Grants for the Arts, and in addition, the Juneteenth funding had been included in the Agency's annual budget or through previously allocated funds for the Western Addition A-2 Project Area, and the Agency had decreased the funding over the years in order to promote self-sufficiency. Ms. Sakai stated that in the past years, the Agency had never funded 100% of the events' expenses, but on a reimbursement basis as provided in the policy.

Commissioner Romero asked how many years the Agency had funded the Juneteenth Festival.

Ms. Sakai stated that the Agency had funded Juneteenth for at least 10 years.

Commissioner Romero stated that the policy had a descending percentage of funding, and asked if that was the case with the funding for Juneteenth. Mr. Romero stated that he was asking the questions not because he wanted to pose any threats to Juneteenth because he thought that was money well spent for a great event, but that if the Agency was not following policy for one event, then that should not prohibit the Agency from funding the Asian Heritage Street Celebration event. Mr. Romero stated that was his position on the matter and that he did not see a limit in the policy for the number of years an event could be funded. Mr. Romero requested verification that the Agency could fund the event next year as long as the request was included in the Agency's budget.

Ms. Sakai stated that if the policy was to be followed, the organization had to apply and obtain funding through Grants for the Arts and meet the established criteria and go through the Agency's budget process with the South of Market PAC, and that the event would need to serve a redevelopment purpose.

Commissioner Romero asked how long the Asian Heritage Street Celebration had been happening without Agency funding. (Someone from the audience said two years). Mr. Romero stated that the event was being held in a redevelopment project area this year and that he wanted to find a way fund it this year, but at the same time, he was a little uncomfortable and he would wait to see if there was a second to Commissioner Singh's motion.

Commissioner Breed stated that she had some concerns because the funding request was brought to the Commission just one month before the festival and the Commission was expected to approve it. Ms. Breed stated she thought that the request could be considered for the next fiscal year budget, and that she was trying to understand why the organization did not come to the Agency the previous year so that the request could have been included in the current year budget. Ms. Breed stated that in defense of Juneteenth, it was displaced by redevelopment and the event had been held in the same location, where the Fillmore Center was now located, with the rodeos and many other activities, and that the celebration would never be the same when it was supported by the community and there was a large African American population in the Western Addition. Ms. Breed stated that the Juneteenth celebration of today was very much different because of the way redevelopment had changed the neighborhood and the venues for the event changed every year. Ms. Breed stated she thought that this was the first time the Asian Heritage Street Celebration was being held in South of Market, and if the Agency was going to fund this festival for this particular location, that would open the door for other street festivals in other redevelopment project areas to ask the Agency for funding. Ms. Breed stated she did not think it was fair to put Commissioners in such a situation because it was not clear what the Agency had funded in the past in terms of street festivals and the policy was not clear about funding such requests. Ms. Breed stated that in this particular case, she did not think it would be a good policy call to approve a letter request for funding for an event that was happening in a month, and that she did not feel comfortable and did not think that the funding request should come to the Commission in the first place, and if the organization was organized, they should have sent the information a year ago to the Agency for consideration. Ms. Breed stated that as currently presented, she could not support the funding request and continuing the matter would not change her mind, and that more information should be provided to the Agency for funding consideration for next year's budget.

Commissioner King stated that he did not see a difference whether the request was in the Agency's budget or not because the event was being held in a redevelopment project area and that the policy was unclear with respect to funding such request. Mr. King stated he thought that it was bad precedent to favor one community over another and the request was for only \$18,000 and that the Commission had the right to support such a request and

it did not always have to be in the budget for the Commission to approve the request, because many groups had come before the Commission for funding and the Commission debated the matter and determined if was needed or not. Mr. King stated he thought that it was bad policy to reject the funding request and that the Commission should support the funding request from the Asian Heritage Street Celebration. Mr. King seconded Commissioner Singh's motion to approve the funding request.

Commissioner Singh stated that he wanted to inform everyone that the month of May commemorates Asian Pacific Heritage month and that he was a member of the Board of Directors of the Mayor's Asian Pacific Heritage Committee, and that the event had been around for a long time and was not a new festival.

Commissioner Cheu stated that she felt conflicted and that she understood Commissioner Breed's concerns about setting precedents because there were so many street festivals in San Francisco and that she actually ran one of them, the San Francisco International Dragon Boat Festival, and as the current President of the California Dragon Boat Association, a nonprofit that ran the festival, she was extremely supportive of the Asian Heritage Street Celebration, which started a few years ago, and Asian Week asked them to be involved and they jumped at the opportunity to participate. Ms. Cheu stated that the street fair was unique in that it was not neighborhood based and it brought all different part of the Asian community was and a very well-run event, and that she had a lot of respect for what the organizers were trying to do. Ms. Cheu stated that as a fellow festival organizer, she could appreciate the shock factor with the City services costs. Ms. Cheu stated that if the matter came to a vote, she would abstain from voting because Asian Week was the major media sponsor for the Dragon Boat Festival and she felt that she could not make an objective decision.

Commissioner Romero stated that he looked at the Agency policy closer and it appeared that the Agency's hands were tied in considering the funding request, and that whatever the outcome of the vote was, he wanted the applicant to be given a copy of the Agency policy. Mr. Romero stated that in order to comply with the policy, they had to meet the funding criteria for Grants for the Arts Program of the San Francisco Hotel Tax Fund and to include the request in the Agency's fiscal year budget for consideration. Mr. Romero stated that as people heard Commissioners' comments, it was clear that there was support for the funding request and urged the group to fulfill the criteria under the Agency policy before the next fiscal year.

Commissioner Covington stated she thought that this was a wonderful Pan-Asian event and that she would really like to support it, but it did not meet the Agency's funding guidelines. Ms. Covington stated that for next year, she would urge the group to come to the Agency for consideration.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, TO APPROVE A FUNDING REQUEST FROM THE ASIAN HERITAGE STREET CELEBRATION IN THE AMOUNT OF \$18,206.44 FOR THE 4TH ANNUAL ASIAN HERITAGE STREET CELEBRATION ALONG HOWARD STREET BETWEEN FIFTH AND SEVENTH STREETS WITHIN THE SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Singh

AND THE FOLLOWING VOTED "NAY":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Peterson

AND THE FOLLOWING ABSTAINED:

Ms. Cheu

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES, FOUR (4) NAYS, AND ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

- 4 (j) Resolution No. 26-2007, Authorizing the issuance, sale and delivery of tax exempt Multifamily Housing Mortgage Revenue Bonds (Tenth and Mission Family Housing) 2007 in an aggregate principal amount not to exceed \$37,650,000; determining and prescribing certain related matters; approving and authorizing related actions and the execution and delivery of related documents to finance the construction of residential facilities known as Tenth and Mission Family Housing; Mid-Market Redevelopment Survey Area, Agency Citywide Tax Increment Housing Program

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (j) and stated that it was a good project.

Commissioner Cheu asked if there had been a source of operating funds identified for the youth center, and with regard to the retail component, if certain tenant types had been identified.

Ms. Elizabeth Colomello, Development Specialist, stated that Catholic Charities and Mercy Housing were just putting together the financing for the project and that it was a little early to get into the funding cycles of the City however, Catholic Charities had made an application to the Department of Children, Youth and Families and for the portion of the units set aside for the homeless, it was part of that pipeline funding for both service and operating funding. Ms. Colomello stated that Mercy Housing had not yet begun marketing for the retail component and that she thought the retail space could be used for a variety of uses, including a café or a similar establishment.

Commissioner Cheu seconded Commissioner Romero's motion to adopt item 4 (j).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 26-2007, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TAX EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (TENTH AND MISSION FAMILY HOUSING) 2007 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$37,650,000; DETERMINING AND PRESCRIBING CERTAIN RELATED MATTERS; APPROVING AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES KNOWN AS TENTH AND MISSION FAMILY HOUSING; MID-MARKET REDEVELOPMENT SURVEY AREA, AGENCY CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (k) Resolution No. 27-2007, Conditionally approving the combined basic concept and schematic design for a 129-unit, mixed-income residential project on Block N4/Parcel 3 in the Mission Bay North Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay North Redevelopment Project Area

Presenters: Kelly Kahn (Agency staff), Michael Johnson (Em Johnson Interest), Karyn Shore (Kwan Henmi Architecture/Planning)

Speakers: Ingrid Merriwether

Commissioner Romero put forth a motion to adopt item 4 (k), and stated that he wanted to compliment the whole team, Mr. Michael Johnson and in particular, the architect, for a difficult site to design. Mr. Romero stated that he had driven by the site and he could not figure out how one could come up with an attractive and livable building design, and thanked the team for a marvelous design.

Commissioner Covington stated that there were references made to a barrier, but that she could not visualize it and asked staff to point it out to her. Commissioner Covington asked what width of the units would be.

Ms. Kelly Kahn, Assistant Project Manager, stated that she used the word barrier to describe the I-280 off-ramp, which follows the curve on the rear of the site.

Ms. Karyn Shore, Architect, stated that the one-bedroom units would be 25 feet wide and the two-bedroom units would be 35 feet wide.

Commissioner Covington stated she thought that the colors were pleasing and it was a good looking project, and that she was relieved to know that the width of the units would be 25 and 35 feet rather than smaller because the standard width in San Francisco was 25 feet. Ms. Covington stated that she noticed on the renderings that there were a lot of balconies on the first floor, which might be accessible from the street.

Ms. Shore stated that the balconies would be at a height of 12 feet to address the safety issue.

Commissioner Covington stated that she also liked the shape of the center courtyard that mimicked the odd-shaped parcel, which was very nice. Ms. Covington seconded Commissioner Romero's motion to adopt item 4 (k).

Commissioner Cheu stated that she noticed there were 88 parking spaces and 129 units, and asked how the parking spaces were allocated and if the affordable units would have equal access to the parking spaces.

Mr. Michael Johnson stated that their plan was to use stacked parking units in some of the parking spaces, so there would be 88 spaces and they put stacked parking units in enough spaces and still have a one-to-one parking ratio.

Commissioner Cheu asked if there had been thoughts about controlling increases in homeowners' association fees.

Mr. Johnson stated that they had just gone through a budgeting process about homeowners' association fees for the Fillmore Heritage project, and

that the State did the assessments of homeowners' association fees at the beginning of the project. Mr. Johnson stated he thought that in those instances where the fees increased, it was because there were no early assessments and planning to include reserves and insurance that would be necessary to cover unforeseen items. Mr. Johnson stated that for the Block N4/Parcel 3 development, they had minimized the number of amenities on the site as there would be no pool or large common area spaces that would escalate and increase the long term maintenance of the building, and that they believed they would be able to manage the fees. Mr. Johnson stated that for the Fillmore Heritage project, they were able to keep the fees at \$460.00 a month even though there was a 24-hour door attendant for the building, and the fees would be lower for the Mission Bay project because there would not be that service.

Commissioner Breed asked how many of the units would be accessible to persons with disabilities.

Ms. Shore stated that 100% of the units would be accessible to persons with disabilities.

President Peterson stated he wanted to congratulate the development team and the architect for a great design, because in a lot of other cities an odd-shaped parcel may not be usable, but in this case, the development team had come up with a beautiful structure using very high design standards for a parcel adjacent to a very busy freeway. Mr. Peterson complimented everyone and stated that he looked forward to the building's completion.

Commissioner Breed asked if the units would have special double-pane windows to help with the noise on the freeway.

Ms. Shore stated that all of the windows would be insulated and would be set perpendicular to the freeway so that the noise would not go directly into the units.

Commissioner Breed stated she thought that the building had a great design and that she liked the color scheme and landscaping.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 27-2007, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A 129-UNIT, MIXED-INCOME RESIDENTIAL PROJECT ON BLOCK N4/PARCEL 3 IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA

ENVIRONMENTAL QUALITY ACT; MISSION BAY NORTH
REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (l) Resolution No. 28-2007, Authorizing a First Amendment to the Partial Rent Subsidy Agreement with Catholic Charities CYO, a California nonprofit public benefit corporation, to extend the contract term through December 31, 2007 and to increase compensation by an amount not to exceed \$281,709, for a total aggregate amount not to exceed \$1,915,709, to provide rental assistance for the third year of a three-year contract; Housing Opportunities for Persons With AIDS Program

Presenters: Pam Sims (Agency staff)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (l) RESOLUTION NO. 28-2007, AUTHORIZING A FIRST AMENDMENT TO THE PARTIAL RENT SUBSIDY AGREEMENT WITH CATHOLIC CHARITIES CYO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE CONTRACT TERM THROUGH DECEMBER 31, 2007 AND TO INCREASE COMPENSATION BY AN AMOUNT NOT TO EXCEED \$281,709, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,915,709, TO PROVIDE RENTAL ASSISTANCE FOR THE THIRD YEAR OF A THREE-YEAR CONTRACT; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

- 4 (m) Resolution No. 29-2007, Authorizing the second year of funding for the Agency's three-year contract with Arc Ecology, a California nonprofit corporation, to provide environmental outreach and information services to the Bayview Hunters Point Community in an amount not to exceed \$283,500 for a total aggregate amount of \$567,000; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff)

Speakers: Arthur Feinstein, Marcia Dale-Lewinter, Jack Lendvay, Dr. Michael McGowan, Angelo King, Scott Madison, Sudeep Rao, Al Norman, Essie Webb, Olin Webb, Oscar James, Dr. Ray Tompkins, Saul Bloom, Dorris Vincent, Eve Bach, Jesse Mason, Ace Washington, Ruben Bunney, Anthony Marshall, Sheila Love

Commissioner Singh stated he knew that Arc Ecology was doing a wonderful job at the Shipyard and referred to the handout that Mr. Saul Bloom gave to the Commission, on page 9, regarding the conflict of interest section, which prohibits members of boards and commissions from

contracting with the City and County of San Francisco. Mr. Singh asked the General Counsel for an opinion.

Mr. James Morales, Agency General Counsel, stated that the California laws apply to redevelopment activity and under those laws, a member of the CAC would be and is prohibited from voting and participating on a particular matter where they may benefit, and that his understanding was that Mr. Bloom had not participated and not voted on any CAC measure that would affect his organization. Mr. Morales stated that the reason why he would not have to resign was because he was an officer of a nonprofit organization, and if he was an officer of a for-profit organization that had a contract with the Agency, he would be barred from being a member of the CAC and could not then obviously, participate in deliberations. Mr. Morales stated that as a member of a nonprofit organization, Mr. Bloom would be able to remain on the CAC so long as he did not participate or discuss or vote on the contract for his organization. Mr. Morales stated that as he understood it, the City law did not technically apply to the Agency, but that it carried the same principle namely that, for certain City contracts, City officials, Commissioners and employees would not be able to participate or vote on those contracts, and if they were members of a nonprofit organization, they would have a narrow exception to remain on the advisory group or commission as long as they did not ultimately vote on the matter.

Commissioner Singh requested verification that there was no conflict of interest for Mr. Bloom.

Mr. Morales stated that there was no conflict of interest for Mr. Bloom so long as he did not participate in any discussion or vote on any matter as a CAC member related to the Arc Ecology contract.

Commissioner Singh put forth a motion to adopt item 4 (m).

Commissioner Singh stated that he listened carefully to the General Counsel and he was satisfied that there was no conflict with Mr. Bloom. Mr. Romero stated that he dealt with conflict of interest issues in his job as a lawyer for the California Teachers Association, dealing with teachers involved with school boards, and that he had heard the principles elucidated by Mr. Morales many times in his work. Mr. Romero stated that the conflict of interest issue was not before the Commission, but the funding of the contract with Arc Ecology, and that there was unanimity with the support for funding the contract and that was what the Commission should do. Mr. Romero stated that he wanted to thank everyone who stayed so late for the meeting and seconded Commissioner Singh's motion to adopt item 4 (m).

Commissioner King asked Mr. Bloom he wanted to stay as a member of the CAC with the apparent conflict of interest.

Mr. Saul Bloom of Arc Ecology stated that he was lobbied to say on the CAC by members of Arc Ecology in order to maintain a level of participation in the CAC. Mr. Bloom stated that nonprofit organizations in San Francisco provided 70% of the services that the City dispenses to its residents, from homelessness to bicycle services and transportation, and if members of nonprofit organizations were banned from participating in those various committees, they would lose many skilled and valued members. Mr. Bloom stated that he had heard from people that by being a member of the Shipyard CAC, it ensured the participation and involvement of nonprofit organizations. Mr. Bloom stated that as Mr. Angelo King mentioned, the Shipyard CAC was at a critical point in its work and his involvement for more than 10 years hopefully, would help create thousands of jobs and gentrify the community from within, which was a different model from what had been practiced before.

Commissioner King asked if Mr. Bloom lived in the Bayview Hunters Point community.

Mr. Bloom stated that he did not live in the Bayview Hunters Point community.

Commissioner King stated that he recalled serving with Mr. Bloom years ago on the Bayview Hunters Point Community Development Committee, but that he (Mr. King) left the committee because it would have been a conflict with being an Agency Commissioner. Mr. King stated that Mr. Bloom was doing a good job with his work, but that he thought that Mr. Bloom should resign from the CAC because there appeared to be a conflict.

Commissioner Breed asked Mr. Bloom if he made a mistake in outreach efforts to the school of the Nation of Islam, because the school reported that they did not receive notifications about community meetings. Ms. Breed stated that she recalled Mr. Jesse Mason informing the Commission that he had provided flyers to notify the school and that she wanted to know if a mistake was made initially and if the mistake had been corrected.

Mr. Jesse Mason from Arc Ecology, stated he believed that Commissioner Breed was speaking about one of his outreach workers, Mr. Keith Tisssdale who distributed flyers in the area around the school and that Mr. Tisssdale did provide flyers to the Muslim Academy. Mr. Mason stated that the most recent outreach they did regarding the dust control, he took over 100 pieces of literature to the school as well as their offices on Third Street. Mr. Mason stated that they would be continuing significant outreach efforts in the community and as a local resident, he was happy to have the opportunity work with Arc Ecology to keep the community informed and involved.

Commissioner Breed stated that she had family and friends who live on Kiska Road and that she had received conflicting reports that some had received notifications and some had not. Ms. Breed stated that she knew that Mr. Mason was sincere and that she supported the contract for Arc Ecology when it was first before the Commission, but that she was disappointed to find out that there were problems with notifying the school and that she wanted to make sure that the people that did the outreach understood the importance of distributing the leaflets to all of the appropriate locations in the community as well as to all of the people affected.

Mr. Mason stated that all of their workers received orientation before notices or flyers were distributed and that they double-check the distribution.

Commissioner Breed stated that she wanted to make sure that the workers understood the importance of notifying the people in the community especially families who are most affected.

Mr. Bloom stated that they took Commissioner Breed's comments very seriously and that they did a proactive audit of their work and that he spoke with the outreach workers himself and that he was informed that flyers were given to the school about the dust control workshops. Mr. Bloom stated that he had also called the minister and met with the school, and in addition, they had also brought in the Neighborhood Jobs Initiative Roundtable to conduct more training for their workers and adopted new strategies to address the Commission's concerns, including the open house, poetry jam, comedy night, environmental justice film festival and other creative ways of broadening the outreach to the community.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 29-2007, AUTHORIZING THE SECOND YEAR OF FUNDING FOR THE AGENCY'S THREE-YEAR CONTRACT WITH ARC ECOLOGY, A CALIFORNIA NONPROFIT CORPORATION, TO PROVIDE ENVIRONMENTAL OUTREACH AND INFORMATION SERVICES TO THE BAYVIEW HUNTERS POINT COMMUNITY IN AN AMOUNT NOT TO EXCEED \$283,500 FOR A TOTAL AGGREGATE AMOUNT OF \$567,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Kathy Perry, Oscar James, Brian Murphy O'Flynn

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Acting Executive Director Joanne Sakai announced a special joint workshop of the Hunters Point Shipyard CAC and the Bayview Hunters Point PAC on Saturday April 7th from 10:00 a.m. to 2:00 p.m. at the Earl P. Mills Auditorium, to discuss the integrated Shipyard and Candlestick Point proposed project.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner Breed stated that the City should not vote on whether or not the Bayview Hunters Point Project Area should exist because the residents should decide that issue, and that she did not think that the City as a whole should be making that decision.
- Commissioner Breed asked President Peterson when a presentation from the Mayor's Office on Disability would be made before the Commission as she had requested at the previous Commission meeting. Ms. Breed stated she had spoken earlier with Ms. Susan Mizner of the Mayor's Office on Disability and informed that she had not received a telephone call from the Agency, and that she hoped to have a presentation to the Commission soon. Ms. Breed stated that this was an important issue and stemmed from her personal experience in the Western Addition where her grandmother lived in a townhome that was not accessible, so she would like to have presentation to the Commission on what the Mayor's Office on Disability did to ensure disability access for all housing developments.
- Commissioner Breed stated that she also wanted to find out when the Executive Director's performance evaluation was scheduled to be before the Commission.
- President Peterson stated that with regard to Commissioner Breed's request for a presentation from the Mayor's Office on Disability, he knew there was a request made and that he would follow up to make sure it was scheduled for a future Commission meeting.

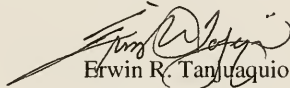
- President Peterson stated that with regard to the Executive Director's performance evaluation, that was being scheduled for one of the Commission meetings in May, about a month before the planned Commission retreat in June. Mr. Peterson stated that the Commission Secretary would be canvassing the Commissioners to schedule the date for the retreat. Mr. Peterson stated that Commissioner Breed could call him anytime if she had further questions.
- Commissioner Breed stated that when she spoke with Ms. Susan Mizner of the Mayor's Office on Disability on another matter, she informed that she had not received a telephone call or e-mail from the Agency as of that day.
- Commissioner Romero stated that he wanted to be more fully informed about the funding of street fairs, festivals and other events. Mr. Romero requested an informational memorandum on the application process for the funding of street fairs, festivals, etc., and the criteria for funding of annual celebrations and parades as established by the Grants for the Arts Program of the San Francisco Hotel Tax Fund. Mr. Romero added that he wanted to find out why the request from the Asian Heritage Street Celebration did not satisfy the funding criteria and that he wanted to know what the process was for satisfying such funding criteria.
- Commissioner King stated he thought that the April 3rd Commission meeting should have been cancelled and asked President Peterson why the agenda was so long.
- President Peterson stated that he agreed with Commissioner King, but that several factors affected the April 3rd agenda with the normal ebb and flow of the meeting calendar, and the previous meeting on March 20th was intentionally light because of the anticipated lengthy debate on the Certificate of Preference workshop. Mr. Peterson stated that the April 3rd agenda was actually shorter as a few items had been moved to the next meeting and to compound it all, the April 3rd meeting started an hour later. Mr. Peterson stated that the Agenda-setting committee would continue to be mindful of having a balanced agenda and that there may be an additional special meeting scheduled in early May to accommodate matters in the pipeline.
- Commissioner Breed stated that she recalled last year's budget process and that Commissioners were provided the draft budget right before the meeting, and that for this year's budget, she would like to receive the draft budget in advance in order to have adequate time to review the budget. Ms. Breed stated that she wanted to welcome the Agency's newest Commissioner, Ms. Linda Cheu to the Agency.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:08 p.m.

Respectfully submitted,



Erwin R. Tanuaquio
Agency Secretary

APPROVED:

As amended (Delete the word “not” before the word “reverse” on the second to the last line on page 11 – correction made by Commissioner Romero)

April 17, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
17TH DAY OF APRIL 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of April 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Linda Cheu
Ramon E. Romero
Darshan Singh

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And the following were absent:

Leroy King

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE APRIL 3, 2007 COMMISSION MEETING

Items 3 (a) and (b) were presented together and acted upon separately.

- 3 (a) Resolution No. 24-2007, Rescinding the motion adopted by the Commission at the closed session meeting of March 6, 2007 to instruct Agency staff to designate the property located at 1210 Scott Street for the development of affordable housing and to immediately issue a request for proposals for the development of 1210 Scott Street; Western Addition Redevelopment Project Area A-2
- 3(b) Resolution No. 25-2007, Authorizing the issuance of a Request for Proposals for the development of approximately 18 to 20 units of affordable housing for low-and moderate income first-time homebuyers at 1210 Scott Street (Block 0729, Lot 044); Western Addition Redevelopment Project Area A-2

Note: There was no staff presentation.

Speakers: Margaret Verges, Ross Snow, Carl L. Williams, Marcia Smolens, Charlie Walker, Charles Spencer, Agonafer Shiferaw, Ann Dolyneck, Rev. Arnold Townsend, Ace Washington, Derf Butler, David Gaskin, Rev. Amos Brown

Commissioner Covington stated that she wanted to thank everyone for coming to the meeting because it was helpful to hear their comments. Ms. Covington stated that she visited the high school as part of a tour of the Western Addition about a month ago, and that she was really impressed with the facility and staff as well as the focus of the students and that she thought it was a wonderful facility. Ms. Covington stated that however, the matter before the Commission did not have anything to do with the high school, because item 3 (a) would rescind the motion that was adopted by the Commission on March 6th calling for the affordable housing development on the site. Ms. Covington stated that Commissioner Benny Yee put forth the motion and suggested that the 1210 Scott Street property be developed for affordable housing and the majority of the Commission voted in favor of the affordable housing development. Ms. Covington stated that she received a number of telephone calls saying that affordable housing would not be good on that site because there were already too many low-income housing within the Western Addition. Ms. Covington stated that she recalled as part of the Commission's discussion in the closed session meeting that homeownership was part of that discussion and that somehow in the motion that was adopted, that language was lost. Ms. Covington stated that she called

Commissioner Yee to find out if he would not mind putting the matter on the Agenda again so that people could provide comment and also to clarify the language of the motion to include the homeownership language in order for staff to issue the appropriate Request for Proposals (RFP). Ms. Covington stated that it was important for the Commission to act on the matter because the item had been on the agenda previously and was continued and that the Agency's transition out of the Western Addition was going to take place in less than two years and that the Agency needed to build the housing to replace just a small percentage of the housing that was lost. Ms. Covington put forth a motion to adopt item 3 (a) and stated that she would like the Commission to consider item 3 (b) as a replacement.

Commissioner Breed stated that she was not as concerned with the location of the housing, but for housing to be built for African Americans that were displaced by redevelopment because even if housing was built, there was no guarantee that African Americans would be able to occupy the housing. Ms. Breed stated that she would like to include language in the RFP that would stipulate that the housing units built would be designated for certificate holders as well as to amend the Certificate of Preference Program to allow descendants of displaced residents to be included in the program in order to provide a win-win situation, primarily for African Americans who were displaced from the Western Addition, including her entire family and all of her friends. Ms. Breed stated that she was disappointed that the Agency had certain policies and procedures that do not benefit African Americans and that it was important for the Agency to do something unorthodox in addressing the housing needs of African Americans in the Western Addition. Ms. Breed stated that she understood the effects of Proposition 209 when it was enacted as she was still in college at the time, and that she noticed the steady decline of African American students in the University of California campuses, which was also the case in her neighborhood. Ms. Breed stated that she would like to see both items continued so that language could be crafted in such a way to designate the housing units for people displaced from the Western Addition.

Commissioner Romero seconded Commissioner Covington's motion to adopt item 3 (a).

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 3 (a) RESOLUTION NO. 24-2007, RESCINDING THE MOTION ADOPTED BY THE COMMISSION AT THE CLOSED SESSION MEETING OF MARCH 6, 2007 TO INSTRUCT AGENCY STAFF TO DESIGNATE THE PROPERTY LOCATED AT 1210 SCOTT STREET FOR THE DEVELOPMENT OF AFFORDABLE HOUSING AND TO IMMEDIATELY ISSUE A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF 1210 SCOTT STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Commissioner Breed put forth a motion to continue item 3 (b).
Commissioner Romero seconded the motion.

President Peterson stated that he would suggest a friendly amendment to Commissioner Breed's motion that the item be continued to the June 19th Commission meeting. Commissioner Breed accepted the suggestion.

Commissioner Romero seconded Commissioner Breed's motion to continue item 3 (b) to the June 19th Commission meeting.

Commissioner Covington stated that she would like to hear more from Commissioner Breed on her motion to continue item 3 (b).

Commissioner Breed stated that she would like the Western Addition Citizens' Advisory Committee (CAC) to discuss what specific language could be included in the RFP to allow the housing to be designated specifically for displaced Western Addition certificate holders, and that her reasons stemmed from her desire to bring back African American families to the Western Addition as well as to aggressively search for certificate holders.

Commissioner Romero stated that he was the only Commissioner to vote against the motion that was adopted on March 6th to designate the 1210 Scott Street property for the affordable housing development, and that his reason was that he believed that there was an opportunity for a win-win situation. Mr. Romero stated that he was not against what Commissioners Breed and Covington stated about what they wanted to see happen with the housing, but that it seemed to him that if there was an opportunity to explore some resolution where the Jewish High School and the community would get a gymnasium and also have homeownership housing built within the community. Mr. Romero stated he believed that the Agency had a good track record in building affordable housing and that in the past nine years he had been on the Commission it had been very supportive of affordable housing development Citywide, but that he thought there was an opportunity for the Agency to address other community needs and that he thought there should be some time devoted to exploring the possibilities. Mr. Romero stated that there may an opportunity for a beneficial proposal that could emerge during the next 60 days that would satisfy the housing need and who specifically would benefit from it, but also to find some way to allow the Jewish High School to build a gymnasium that would benefit the entire community. Mr. Romero stated that he would like to see if there was a way to achieve all of the goals and to avoid a potentially divisive situation that could emerge. Mr. Romero requested verification that the continuance would not preclude the discussion of the concerns he discussed.

General Counsel James Morales stated that the only thing that would be certain was that on June 19th, the item 3 (b) resolution would be before the Commission as it was currently framed, which was an issuance of an RFP. If the Commission voted for the motion to continue item 3 (b).

Commissioner Romero stated that his second to Commissioner Breed's motion to continue stood, and that he would urge the community leaders to try their best to come up with a resolution because he knew they had the best interest of the community at heart and wished them good luck.

Commissioner Breed asked if the item could be sent to the CAC for discussion and input into the RFP language and brought back to the Commission before the June 19th Commission meeting to receive input from members from the public.

President Peterson stated that he would support sending the item to the CAC for discussion and input.

Commissioner Cheu asked if the property for the land swap was not worth as much as the Agency property, would the additional funds that would go to the Agency need to be used within the project area or would the funds go to the Citywide housing fund.

Executive Director Rosen stated she did not think that the Agency had ever been in a situation described by Commissioner Cheu, but that if the Agency was to sell property, it would be the Agency's duty to insure that it would receive the fair market value for the property, and that the land sales proceeds would only be legally restricted by the terms of the closeout agreement with the U.S. Department of Housing and Urban Development (HUD), which would make the land sales proceeds from the Western Addition subject to the Community Development Block Grant (CDBG) rules. Ms. Rosen stated that the Commission would have the authority if it so chose, to designate the proceeds for whatever purpose it deemed appropriate.

Commissioner Cheu stated she thought that it was worth the 60-day continuance because this was an important land use decision and that there should be opportunity given to explore all of the options possible, and that she would like the matter discussed by the CAC so that they could provide a recommendation to the Commission.

President Peterson stated that he concurred and that if additional time was needed, he did not see a reason why the matter could not be further continued for a short period of time. Mr. Peterson stated that he would like to put out a call to action to the Jewish High School constituents that this was the time to make something happen before the matter went before the Commission.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 3 (b) RESOLUTION NO. 25-2007, AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF APPROXIMATELY 18 TO 20 UNITS OF AFFORDABLE HOUSING FOR LOW-AND MODERATE INCOME FIRST-TIME HOMEBUYERS AT 1210 SCOTT STREET (BLOCK 0729, LOT 044); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE CONTINUED TO THE JUNE 19, 2007 COMMISSION MEETING.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of April 3, 2007

Commissioner Romero put forth a motion to adopt the consent agenda and stated that he would make a slight modification to the April 3rd meeting minutes, specifically on page 11 to delete the word “not” before the word “reverse” on the second to the last line.

Commissioner Breed seconded Commissioner Romero’s motion as amended, to adopt item 4 (a).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: MEETING OF APRIL 3, 2007 ASMENDED, BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 30-2007, Authorizing an exclusive negotiations agreement with either Michael Simmons Property Development, Inc. or Em Johnson Interest, Inc. and HSM Realty Finance Management, Inc. (collectively “Turk Street Development Consortium, LLC”) (to be formed) for the development of approximately 32 units of low-moderate income first-time homebuyer housing at 1345 Turk Street, Block 756, Lot 001; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenters: Michele Davis (Agency staff), Todd Clayter (Em Johnson Interest), Kelly Dearman (HMS Realty Finance), Michael Simmons (Michael Simmons Property Development), Peter McKenzie (Architect)

Speakers: Charles Spencer, Mimi Sullivan, Sheryl Davis, Carl L. Williams, Floyd Trammel, Wade Woods, Kevin Jefferson, Michael Harris, Michael Johnson, Rev. Arnold Townsend, Charmaine Curtis, Randall Evans, George Smith, Rev. Amos Brown, Agonafer Shiferaw

Commissioner Breed asked Mr. Michael Simmons if Rev. Edgar Boyd would continue to be a part of his development team. Ms. Breed stated that she recalled Mr. Simmons had stated that townhomes were adaptable and based upon her conversations with the Mayor's Office on Disability, she was informed that townhomes were not adaptable because they had stairs.

Mr. Michael Simmons stated that he had a conversation with Rev. Boyd earlier in the day and that if he (Mr. Simmons) was selected for the project, Rev. Boyd would work with him in the community. Mr. Simmons stated that there was a way to design a townhome to build a wide enough stairway and install a chairlift for someone who needed it, so that the unit would be considered adaptable.

Commissioner Breed asked who would be responsible for the expense of installing the chairlift if that became necessary.

Mr. Simmons stated that he would guess that at the beginning of the project when the person first moved in, the additional expense would be included as part of the project cost.

Commissioner Breed asked if that was not the case, who would pay for the additional expense.

Mr. Simmons stated that he did not have the answer.

Commissioner Breed stated that she also wanted to clear up some miscommunications regarding Mr. Simmons' listed financial commitments for the 1345 Turk Street project, and asked for additional details about the status of the financial commitments listed in Mr. Simmons' proposal.

Mr. Simmons stated that there were several financial commitments for the project, including the Building Equity and Grown In Neighborhoods (BEGIN) financing, AHP financing from the State, the State CalHome financing, bank financing and gap financing that would be provided by the Redevelopment Agency. Mr. Simmons stated that since he had not been

selected as the developer for the project, he could not apply for State or Redevelopment Agency financing, but that he had spoken to banks about obtaining construction financing, which would be available once he had the project.

Commissioner Breed asked if Mr. Simmons knew what percentage of the development costs he had commitments for.

Mr. Simmons stated that he would have the bank financing for the construction, which represented 65% of the development cost, and the remainder would come from the State and Redevelopment Agency financing.

Commissioner Breed asked about Mr. Simmons' interaction with the Ella Hill Hutch Community Center, and if there were certificate holders in the Bell Mews project, and if there was outreach to certificate holders for the project.

Mr. Simmons stated that he had met with the Executive Director of Ella Hill Hutch as well as Rev. Boyd about the project. Mr. Simmons stated that there were no certificate holders in the Bell Mews project and that there was outreach to certificate holders for the project.

Commissioner Breed asked Mr. Michael Johnson to explain the financial commitments for the project and what percentage of the financing was firm.

Mr. Michael Johnson stated that when they were trying to form the joint venture with Michael Simmons, it became very evident that there was a grave difference in the approach to the financing of the project. Mr. Johnson stated that he wanted to be candid and that what was proposed by the Michael Simmons team was an \$11 million loan, which exceeded the amount of sales of the project as the project could only generate \$5 million in sales per the Agency's requirements. Mr. Johnson stated that they had proposed a \$4 million loan, which was 80% of the sales, and that they had a commitment letter in their proposal from one of their lenders, and that it was not possible to secure an \$11 million loan for this project. Mr. Johnson stated that both development teams each had \$16 million of total project costs and that they both proposed financing to come from the Federal Home Loan Bank Affordable Housing Program, which could be applied for once the project was awarded. Mr. Johnson stated that they did not propose CalHome financing as Michael Simmons did because only nonprofit developers could apply for such funding. Mr. Johnson stated that they had 30% of the project financing committed, which was all the commitment that could be secured at this stage of the development, based upon 80% of the projected sales of the project.

Commissioner Breed asked Mr. Johnson what his interaction had been with the Ella Hill Hutch Community Center for the 1345 Turk Street project.

Mr. Johnson stated that their involvement with the Ella Hill Hutch Community Center was assumed in the normal role that they would have in working with the center in the hiring outreach for the project as they had done for their other projects in the Western Addition. Mr. Johnson stated they had regular discussions with the center and that they had an understanding that they would work together.

Commissioner Breed asked Mr. Johnson to speak about the high homeowners' association dues for the project.

Mr. Johnson stated that for the Fillmore Heritage project, they were able to get the homeowners' association dues down to \$467 a month, and for the 1345 Turk Street project, the dues would probably be between \$300 to \$350 a month, which was attributable to the cost of insurance, common area utilities and maintenance for a condominium building. Mr. Johnson stated that the dues would be calculated in the monthly housing cost for the residents.

Commissioner Breed asked Ms. Kelly Dearman to speak about their outreach efforts to certificate holders and their successes around that.

Ms. Kelly Dearman stated she believed that they had wonderful success in their ability to locate certificate holders in the last nine months as a result of their work on the Fillmore Heritage project, which included 12 below market-rate units. Ms. Dearman stated that they had a lottery of over 800 people and there were five certificate holders who participated in the lottery, but unfortunately, only two of them would be ready to purchase a home at the Fillmore Heritage, and the other three were not quite ready yet. Ms. Dearman stated that they would continue to work with the certificate holders in repairing their credit in order to get them ready to purchase as other housing opportunities became available. Ms. Dearman stated that they conducted two workshops a month in addition to sending out a lot of letters and flyers to neighborhood churches as well as telephone calls. Ms. Dearman stated that recently, they received correspondence from three other certificate holders who hopefully, would be ready when the 1345 Turk Street project was completed.

Commissioner Breed asked Ms. Gaynell Armstrong what the CAC's vote was for the 1345 Turk Street project.

Ms. Gaynell Armstrong stated that there were two votes taken by the CAC and the first vote was not to support the evaluation panel's recommendation and that vote was nine to three. Ms. Armstrong stated that the second vote, when there were not as many members in attendance, was to support the Michael Johnson proposal, which she believed was also a nine to three vote.

Commissioner Breed stated that everyone knew she was born and raised in the Western Addition and that she had the same experiences with redevelopment as other people from the community. Ms. Breed stated that she did not have anything against Michael Simmons and that she thought he was very talented, but that she was not at all familiar with his work other than the Bell Mews project. Ms. Breed stated that she was familiar with Michael Johnson's work because he had given so many people the opportunity and had taken chances with folks with respect to jobs and that Mr. Johnson had been patient, consistent and involved in the community, and that she was overly impressed with the Dearman sisters and their level of involvement to be patient and work with the community and their assertiveness with finding certificate holders. Ms. Breed stated that she was really torn when the Commission first voted on the award of the exclusive negotiations agreement for the project because there was no staff recommendation, but that there was a recommendation from the CAC and it was not clear to her why that was the case. Ms. Breed stated that she understood that there was a process, but that there were concerns about the process and even when CAC members tried to address the concerns, nothing really changed and she continued to hear the same concerns that were brought to the Commission's attention. Ms. Breed stated that she did not like hearing the rumors about a lot of people from different sides, because it was unfair, and that Agency staff should be more considerate when they made comments to members of the community and to maintain objectivity when involved in such processes especially in the Western Addition. Ms. Breed stated that it was an honor to serve on the Agency Commission to serve her community, but that it was also frustrating and that she wholeheartedly supported the CAC and the community and that she thought that the Commission should go in the direction that the CAC had requested, because the Commission would continue to be plagued with the Agency's past in the Western Addition. Ms. Breed stated that with no clear direction from staff, the Commission should make a statement that reaffirms its support for the community and that it respected the community's decision and it would support what the community wanted because the people affected as well as herself lived, worked and are involved in the community. Ms. Breed stated that in making such decisions as a Commissioner, she considered the best interest of the community, and that working with Michael Johnson as member of the community, she felt that she had access, regardless that she was an Agency Commissioner, to someone who was responsive to people who lived in the community in the midst of all the problems in the community. Ms. Breed stated that the Agency's transition out of the Western Addition in the next two years would never provide the opportunity for the Agency to correct the mistakes of the past, and that she thought that the Agency should start thinking about what was important for the people in the community who would continue to raise their children there and their efforts to bring back some semblance of the way the community used to be. Ms. Breed stated she thought that Michael Johnson could help do that because of his commitment, involvement and passion for the community, which was obvious because community members who did

not agree about many things. did agree to support Michael Johnson's proposal for 1345 Turk Street. Ms. Breed stated that sometimes, people get bogged down with process and they lose sight of the big picture, which was an opportunity to have a happy occasion for the community in selecting Michael Johnson and to support the decision of the CAC given that there was no staff recommendation, and also the opportunity to treat the Western Addition with some decency. Ms. Breed stated that obviously, she was very passionate about this issue and that she appreciated the work that Michael Johnson had done and continued to do in the community. Ms. Breed put forth a motion to authorize an exclusive negotiations agreement with Em Johnson Interest, Inc. and HSM Realty Finance Management, Inc. for the 1345 Turk Street project. Ms. Breed stated that she would encourage both developers to continue to compete for similar Agency projects because the community needed their involvement.

Commissioner Romero stated he thought that the decision before the Commission was a cause for celebration because there were two African American developers vying for the project and that was what the Agency and the community really wanted, to have minority developers competing. Mr. Romero stated that it was clear that both developers were capable and both had very good proposals, and that he had always supported Mr. Michael Johnson every time he was before the Commission and recalled that he voted for Mr. Johnson when he was competing for the Third and Mission, St. Regis Hotel project some years ago. Mr. Romero stated that he had nothing but respect for Mr. Johnson because he always put together a good development team as he had for the 1345 Turk Street project, and that he did not think it was necessary to be negative about either proposal. Mr. Romero stated that Mr. Simmons in competition with Mr. Johnson had also put together a proposal and based upon conversations with people, both proposals were deemed very close and both proposals had their own strengths and weaknesses, and the task for the Commission was to try and achieve some balance, and since he did not live in the Western Addition, his views about the proposals may be less passionate. Mr. Romero stated that the CAC had only been in existence for a few years and that he had nothing but respect for the CAC, but that his previous comments about the CAC when the Commission first considered the project a couple of months ago may have been misconstrued as otherwise, and he wanted to make it clear that he respected the views of the CAC and that he would be shocked if there was a time when he did not support the recommendation of the CAC in the past. Mr. Romero stated that as a Commissioner, he also had to exercise his own judgment in looking at all of the factors and what he thought was best for the particular project, and that on balance, he thought that Mr. Simmons' proposal prevailed, not by much, but that was his personal view of the competition, and that he would support Mr. Simmons for the 1345 Turk Street project.

Commissioner Cheu stated that she had taken the time to look at all of the issues and unfortunately, she was not as positive about the decision before the Commission as Commissioner Romero was, and thought that the way the process was designed and the way it was executed, she did not find either decision all that appealing. Ms. Cheu stated she thought that both developers were highly qualified, but that the decision before her was not between two qualified developers although that was certainly a part of the decision, but that on one hand, it required the Commission to cast aside the integrity of a process that the Agency established, and on the other side, to go against the will of the CAC, which was established to advise the Agency on matters about the community. Ms. Cheu stated that this was just her second Commission meeting and that it was upsetting to her that the matter had come to this point and that she would feel some regret about either decision she would make. Ms. Cheu stated that she had questions about the process not to be responded to, but certainly for the future, about the role of the CAC in the selection process, because as she read the criteria for the selection process, it was not clear if the role of the CAC was to have a veto power or for its recommendation to be incorporated into the selection process. Ms. Cheu stated she thought that both of the internal and external processes should be clarified for the next project, and that the timing of the CAC input should happen before the evaluation panel met, to include the CAC's official decision or recommendation into the selection process. Ms. Cheu stated she thought that the community outreach issue was important and perhaps, should be weighted more heavily in terms of the number of points assigned. Ms. Cheu stated that there was this issue of margins of statistical significance where a Request for Qualifications (RFQ) would qualify developers above a certain threshold, or a RFQ where points would be tallied, and that there may be a level where the difference between the two scores was insignificant, and because she was an economist, she believed that was still subjective. Ms. Cheu stated that the decision came down to two principles for her, one was the integrity of the process, which was really important, and the other principle was community empowerment and direction and ideally, this should have been incorporated into the selection process. Ms. Cheu stated that she listened very carefully to the testimony of CAC members and her question was where the CAC recommendation came from and what was the criteria used, and that she appreciated the comment that the CAC's decision was subjective and thought that in the process of rebuilding a community, there would certainly be some subjectivity in that, which was very important. Ms. Cheu stated that in terms of design, she thought that there were advantages to both designs. In terms of track record in the community and comfort level, she thought that track record was really important and also thought that it was import to spread the wealth and create as many opportunities for other developers. Ms. Cheu stated that as everyone heard, Mr. Simmons certainly had a track record in the San Francisco community and had a good track record reaching out to the community, but that the community outreach

piece for the Michael Simmons proposal did not have a lot of detail and was weak in its description as described in the staff memorandum. Ms. Cheu stated that although it was a very difficult decision, she needed to support the integrity of the Agency's process, and for that reason, she would support the Michael Simmons proposal, but that her condition would be for Mr. Simmons to come back to the Commission at the next meeting, with a comprehensive, very robust and detailed community outreach process to convince the Agency that he would reach out to homebuyers from the community.

Commissioner Singh stated that he agreed with Commissioner Breed and that the CAC's input was very important to him, and that he would second Commissioner Breed's motion to authorize an exclusive negotiations agreement with Em Johnson Interest, Inc. and HSM Realty Finance Management, Inc. for the 1345 Turk Street project.

Commissioner Covington stated that this was a very difficult decision because of the enormous amount of time and energy spent just to get to the point of reviewing the proposals, not to mention the academic pursuits to be able to have the skills that everyone admired, and that the wealth and knowledge on the two development teams was really amazing. Ms. Covington stated she did not feel that the Agency and community would get a bad development with either team, but that it was troubling as a micro-business owner who sometimes responded to RFPs, and if she was the top bidder on the RFP, she would expect to be awarded the contract, because this was the process that was established and the process she responded to. Ms. Covington stated that people often decried the lack of a level playing field for African Americans, that when African Americans get close to the finish line, the rules of the game were changed, and that for her, to not follow the scoring of the evaluation panel would be tantamount to changing the rules of the game. Ms. Covington stated that Michael Johnson had done a fabulous job at the Fillmore Heritage project where she had an opportunity to tour the wonderful facility, and that there was so much to be proud of including what the outreach team had accomplished in its outreach efforts. Ms. Covington stated that if the Agency railed against the old boys' network, how could it be justified to establish a new boys' network where the only people that get projects were the same people that had previously worked with the Agency. Ms. Covington stated that this was a very tough decision to make. Ms. Covington asked if both proposals met the adaptability and accessibility requirements.

Ms. Heidi Gewertz, Senior Attorney, stated that both development proposals are in compliance with both the Federal Housing Act requirements and State requirements under Title 24. Ms. Gewertz stated that in Michael Simmons' project, the flats would be adaptable, and in Michael Johnson's project, all of the units would be adaptable, and that the townhouses were not

necessarily required to be adaptable or accessible under State and Federal laws. Ms. Gewertz added that while townhouses were not adaptable to persons with mobility impairments, they could be made either adaptable or accessible to persons with sight or hearing impairments.

Commissioner Covington asked if either Mr. Johnson or Mr. Simmons lives in the Western Addition.

Ms. Michele Davis, Development Specialist, stated that she did not know where either gentleman lived.

Mr. Michael Simmons stated that he lives in the Western Addition and had been a homeowner for 10 years.

Mr. Michael Johnson stated that he lives in his office in the Western Addition.

Commissioner Breed stated that this was a really sad day for her as a Commissioner and that this was a bigger matter to her than any other project that she had considered previously, even though this was a small project and a little bit of money compared to all the millions of dollars that the Agency had given other developers. Ms. Breed stated that if ever one of her fellow Commissioners was faced with a similar dilemma or situation where they felt obligated to their community the same way she felt obligated to her community, she would wholeheartedly support them because she would think that they would be the best judge of their neighborhood in terms of what they wanted to see happen there. Ms. Breed stated that African Americans had been processed out of the Western Addition completely. Ms. Breed stated that she was thoroughly saddened and extremely disappointed because whatever happened, she and community members would still have to live in the Western Addition and continue to deal with the effects of redevelopment as they had for so many years. Ms. Breed stated that as a Commissioner, she was losing faith in the public process, and although members of the CAC had been very committed to the process, they were also frustrated with Agency staff, and that it was unfortunate that there were two great development teams, but that as far as she was concerned, she supported the Michael Johnson team because of their commitment and involvement in the community. Ms. Breed stated that if one of her fellow Commissioners faced a similar situation in their neighborhood, she would continue to support their opinions about their decision because she would feel that they would be the best judge of what should happen in their neighborhood, and that she lived in the heart of the Western Addition and the heart of the controversy and had lived through all of redevelopment and went to the schools there and saw the drug addiction and destruction of the community and all of the violence, and that she experienced all of this firsthand. Ms. Breed stated that this may seem to be

a process decision, but to her, it was continued disrespect to the Western Addition community, and whatever decision was made, she wanted to let her community know that she would continue to do her best as a Commissioner and that there should not be lost hope because of this particular decision, and that she would continue to encourage her community.

Commissioner Covington stated that she lives in the Western Addition and had lived there for decades, so the Western Addition was her neighborhood as well. Ms. Covington stated that whatever the vote was, everyone had to work together not only that evening, but also tomorrow and continuing on. Ms. Covington stated that the people that attended the Commission meetings knew that the full investigation of the certificate holders program was initiated by her so that the Agency could look at the program and make the necessary changes and move forward, and that this was just one of the many things that the Agency needed to correct. Ms. Covington stated that the Agency's process also needed to be corrected, and that people were given the false impression that when the decision of the evaluation panel went back to the CAC, that the CAC had the final decision when that was not the case. Ms. Covington stated that there were two CAC members represented in the evaluation panel and their votes were split, with one member voting for Mr. Simmons and the other for Mr. Johnson. Ms. Covington stated that she was looking to the future as well, and that she was looking to the future with hope in the Agency's rebuilding of the Western Addition, that when the Agency issued RFPs and people responded, they would know what to expect. Ms. Covington stated that she did not understand why a small developer would respond to any request for proposals that the Agency issued if it did not award the project to the top bidder, the developer who garnered the most votes. Ms. Covington stated that both developers were well qualified and that she was also saddened and sorry that the matter was not handled in another way, but that as Commissioners, each had to make the tough decision and follow their hearts on what they felt was right.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, TO AUTHORIZE AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH EM JOHNSON INTEREST, INC. AND HSM REALTY FINANCE MANAGEMENT, INC. (COLLECTIVELY "TURK STREET DEVELOPMENT CONSORTIUM, LLC") (TO BE FORMED) FOR THE DEVELOPMENT OF APPROXIMATELY 32 UNITS OF LOW-MODERATE INCOME FIRST-TIME HOMEBUYER HOUSING AT 1345 TURK STREET, BLOCK 756, LOT 001; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, RESOLUTION NO. 30-2007, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Mr. Singh

AND THE FOLLOWING VOTED “NAY”:

Ms. Cheu
Ms. Covington
Mr. Romero
Mr. Peterson

AND THE FOLLOWING WERE ABSENT:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES, FOUR (4) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

Commissioner Romero put forth a motion to award an exclusive negotiations agreement with Michael Simmons Property Development, Inc. for the 1345 Turk Street project.

Commissioner Cheu seconded the motion.

Note: At this time, approximately 7:00 p.m., the Commission took a 5-minute recess.

President Peterson stated that he personally spent hours considering both proposals and that he had spoken with both parties. Mr. Peterson stated that he kept an open mind about the proposals as he considered both sides of the equation and that he would really like to have something positive for the CAC and that he called for a meeting with the Executive Director and her deputy directors to discuss how the Agency could foster a better working relationship between Agency staff and the CAC moving forward, and following this meeting, he would also convene a meeting with interested Commissioners and appropriate community leaders and members of the CAC to develop a better plan moving forward so that both parties could agree to disagree, but that the process would not be questioned as it had been in the case of the 1345 Turk Street project. Mr. Peterson stated that he had volunteered to be involved in the RFP process in the future and early enough in the process, that he would be able to say unequivocally that the process was fair and balanced and the process was followed. Mr. Peterson stated that for him, the decision came down to the developer and the

proposed design, and that he previously made it clear that the townhome design was preferable and that he continued to think it was. Mr. Peterson stated that from a developer standpoint, he was very impressed with Mr. Michael Johnson because he knew what he was doing and had a lot of experience, and that the Agency should take a lot of pride in that it was able to help establish Mr. Johnson as a first-rate developer, and that he (Mr. Peterson) knew that Mr. Johnson was currently pursuing other big development projects including multi-unit residential projects as well as commercial office buildings, and that at the previous Commission meeting, the Agency assisted Mr. Johnson with a 129-unit residential project in Mission Bay. Mr. Peterson stated that the Agency would continue to work with Mr. Johnson on future development projects, and that there would be a time when Mr. Johnson would not consider working on a 30-unit housing project because his sights would be set higher. Mr. Peterson stated that the Agency had an opportunity with Mr. Michael Simmons to provide similar opportunities to help a small developer, an African American developer who is a member and a resident of the Western Addition to grow his business, but that unfortunately, that sentiment had been lost in all of the acrimony that evening. Mr. Peterson stated that Mr. Simmons was not a Caucasian man from Pacific Heights trying to develop on Turk Street, but an African American developer who is a member of the Western Addition community who was investing 50% of his business for the project. Mr. Peterson stated that it was also clear that Mr. Johnson was a little more polished and that he (Mr. Peterson) was a little concerned with Mr. Simmons' lack of clarity in his responses to Commissioners' questions and that may be because Mr. Simmons was still trying to figure out the details of the project, and that the Agency could help in that, and if the Agency could help Mr. Simmons achieve the same success as Mr. Johnson in the next few years, the Agency could take pride in that. Mr. Peterson stated that was one of the determining factors in his decision to support Mr. Simmons, and that was not an easy decision for him, but that he kept an open mind.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, TO AUTHORIZE AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC. FOR THE DEVELOPMENT OF APPROXIMATELY 32 UNITS OF LOW-MODERATE INCOME FIRST-TIME HOMEBUYER HOUSING AT 1345 TURK STREET, BLOCK 756, LOT 001; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, RESOLUTION NO. 30-2007, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Cheu
Mr. Romero
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Ms. Breed
Mr. Singh

AND THE FOLLOWING WERE ABSENT:

Ms. Covington
Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, TWO (2) NAYS, AND TWO (2) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND THAT RESOLUTION NO. 30-2007 WAS ADOPTED.

- 4 (c) Resolution No. 31-2007. Authorizing the execution of three loan agreements with Food for Soul, LLC, a California limited liability company, under the Revised Fillmore Jazz District Revolving Loan Program (the "Loan Program") for: (1) a façade improvement loan in an amount not to exceed \$35,000, (2) a tenant improvement loan in an amount not to exceed \$240,000, and (3) a business assistance loan in an amount not to exceed \$75,000, for a total aggregate amount of \$350,000, and authorizing waivers of certain loan program requirements for establishing a restaurant at 1300 Fillmore Street; Western Addition Redevelopment Project Area A-2

Presenters: Isabella Wong (Agency staff)

Speakers: Helen Branham, Agonafer Shiferaw, Ace Washington

Commissioner Romero put forth a motion to adopt item 4 (c).
Commissioner Breed seconded the motion.

Commissioner Singh asked if this was the first time the Agency granted waivers to loans and if the requested funds were a loan or a grant, and if it were a loan, what the interest rate was.

Executive Director Rosen stated that the Commission had the authority to grant waivers and that the Commission had done so previously. Ms. Rosen stated that the request was for three loans.

Ms. Isabella Wong, Development Specialist, stated that the loans would have an interest rate of 3.25%, which was the approved interest rate under the revised Fillmore Jazz District Revolving Loan Program, and that the loans would be secured by the owners' residence.

Commissioner Covington stated she thought that this was a very good project and that she was happy that the matter was before the Commission. Ms. Covington asked if there had been a resolution with regard to the use of the name of Blue Mirror for the restaurant.

Mr. David Lawrence, co-owner of Food for Soul, stated that he and his wife, Ms. Monetta White, had been in contact with Ms. Leola King and that they had a meeting about a month ago to discuss the use of the Blue Mirror name and was informed later that Ms. King no longer wanted to discuss the matter. Mr. Lawrence stated that they owned the right to the name Blue Mirror, which was owned by someone else after Ms. King had owned it, and that the restaurant would be named Blue Mirror, and although they had sought Ms. King's support, they understood that the support was not forthcoming.

Commissioner Covington asked if Mr. Lawrence considered other names for the restaurant.

Mr. Lawrence stated that they researched the area and that they liked the name Blue Mirror and had not considered any other name for the restaurant.

Commissioner Breed stated that she would like to propose an amendment to the loan documents because the owners had offered to waive their rights to request partial forgiveness of the façade improvement and tenant improvement loans as permitted under the loan program. Ms. Breed stated that she would ask that the Commission amend the resolution so that they would not have to waive their right to ask for partial forgiveness of the loans.

Commissioner Covington stated that she would agree with Commissioner Breed that the owners would not have to waive their right to ask for partial forgiveness of the loans.

General Counsel James Morales stated that it sounded like an amendment to the propose resolution, which would be voted on first and then vote on the resolution as amended, if it was amended.

Commissioner Breed put forth an amendment to the main motion to remove the waivers for the owners to ask for partial forgiveness for the façade and tenant improvement loans.

Commissioner Covington seconded Commissioner Breed's motion to amend the main motion.

Commissioner Romero stated that he did not understand what the amendment was about, and given that the meeting had already gone three and a half hours, maybe it would be appropriate to simply vote on the resolution as presented and have staff provide a report at the next Commission meeting.

Commissioner Covington stated that her understanding was that the loan documents included provisions for the owners to waive their right to come back to the Agency to ask for partial forgiveness of the loans.

Commissioner Romero asked if that could not be done later and repeal that portion of the loan documents and if that was necessary to do at that time since it would not be known what the circumstance would be in the future. Mr. Romero stated that it seemed to him that the matter was being complicated on what was a simple matter and that he would have questions as to how the Agency had dealt with such waivers for other loan programs in other project areas.

Commissioner Breed stated that the staff memorandum clearly explained that the owners had offered to waive their rights to request an additional amount of \$100,000 over the amount of their loans, and a part of the waiver, there were a number of other exceptions in the loan documents. Ms. Breed stated that after reading the information, she offered the amendment because the owners were taking a huge endeavor and that everyone else who took similar loans had the ability to have a partial forgivable façade and tenant improvement loan. Ms. Breed stated she did not agree that it would be fair for someone starting a new business to have such limitation.

Commissioner Romero stated that he put forth the main motion and although he was willing to consider the amendment at a future meeting, he was not willing to do so at this time.

Commissioner Cheu stated she believed that the way the program normally ran was that the applicant would be able to ask forgiveness for part of the loan, and asked if there would be any negative implications on Commissioner Breed's amendment, because the owners did decide to waive their rights to ask for partial forgiveness.

Executive Director Rosen stated the proposal before the Commission would waive four different requirements of the loan program in exchange for changing the rules in the owners' favor, including when they would have to start repaying loans as well as the security requirements. Ms. Rosen stated that it was within the Commission's discretion to say notwithstanding the owners' offer to trade all of the waivers that the Commission would be granting for them waiving the right for partial repayment, the Commission did not want to consider that.

General Counsel Morales stated that there was a motion to amend the resolution, and the resolution did include a phrase on the second line of the first paragraph of recital number one on page three, which says "...in exchange for non-forgivable loans," and the motion to amend he believed, would strike the phrase "...in exchange for non-forgivable loans," and the Commission would vote on the amendment first and if it failed, the Commission would still have the original resolution before it, and if the amendment passes, there would be an amended resolution. Mr. Morales stated there was a motion to amend, which was seconded and discussion and vote should now be on whether to strike that provision.

Commissioner Breed asked if the owners offered the waiver or was it suggested to them in exchange for favorable terms of the loans.

Ms. Wong stated that the owners were offered partial forgiveness of the façade improvement loan.

Commissioner Breed asked if the owners were told that they needed to make an exchange for the favorable loan terms and that they were told the options and that they did not just volunteer to waive their rights and the waiver was part of the negotiations for the loans.

Ms. Wong stated that was correct.

Commissioner Romero stated that all the more reason why he would not support the amendment to his motion, because he did not want to renegotiate the transaction at the Commission meeting.

President Peterson asked the General Counsel to restate the motion to amend the main motion.

General Counsel Morales stated that the intent was to restore the loan applicant's ability to ask for a forgivable loan and that would be done by striking the words "in exchange for non-forgivable loans" in the resolution's paragraph number one.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, TO AMEND RESOLUTION NO. 31-2007, TO STRIKE THE WORDS "IN EXCHANGE FOR NON-FORGIVABLE LOANS" IN THE RESOLUTION'S PARAGRAPH NUMBER ONE, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Breed
Ms. Covington
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Ms. Cheu
Mr. Romero
Mr. Singh

AND THE FOLLOWING WERE ABSENT:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, THREE (3) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED WITH A TIE VOTE.

President Peterson called for a vote on the main motion.

Commissioner Covington asked if there were any time implications related to the item.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 31-2007, AUTHORIZING THE EXECUTION OF THREE LOAN AGREEMENTS WITH FOOD FOR SOUL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, UNDER THE REVISED FILLMORE JAZZ DISTRICT REVOLVING LOAN PROGRAM (THE "LOAN PROGRAM") FOR: (1) A FAÇADE IMPROVEMENT LOAN IN AN AMOUNT NOT TO EXCEED \$35,000, (2) A TENANT IMPROVEMENT LOAN IN AN AMOUNT NOT TO EXCEED \$240,000, AND (3) A BUSINESS ASSISTANCE LOAN IN AN AMOUNT NOT TO EXCEED \$75,000, FOR A TOTAL AGGREGATE AMOUNT OF \$350,000, AND AUTHORIZING WAIVERS OF CERTAIN LOAN PROGRAM REQUIREMENTS FOR ESTABLISHING A RESTAURANT AT 1300 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (d) Resolution No. 32-2007, Authorizing the Model Block Home Improvement Loan Program in an amount not to exceed \$1,000,000, Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenters: David Sobel, Vanessa Dandridge (Agency staff)

Speakers: Dorris Vincent, Barbara Banks, Darryl Bishop, Michele Mouton, Sandra Michelotti, Mardina Graham, Angelo P. King, Ellouise Patton, Al Norman

Commissioner Covington stated that she was very happy that the program had progressed to this point and that she could not wait for people to start selecting colors for their houses and the trees for the streetscape. Ms. Covington asked the residents to make sure and invite her to the block party when it was scheduled. Ms. Covington asked how many blocks were anticipated to be included in the program for the long term.

Executive Director Rosen stated that staff was very excited about working with the community and did not want to put a lid on the expanse of the program and the staff spent a lot of time to work with the community on the first pilot block and try to work out all of the details so that subsequent blocks could come together faster and hopefully, the Agency would have more resources as the Bayview Hunters Point redevelopment effort generates tax increment dollars. Ms. Rosen stated that staff wanted to continue to work with the PAC and the community in identifying additional blocks and identifying additional resources.

Commissioner Covington asked if there was an estimate of the number of jobs that would be generated by the 1700 Block of Newcomb Avenue.

Ms. Vanessa Dandridge, Development Specialist, stated that at this point, she would not be able to provide a good estimate of the number of jobs because staff had to work with each resident and finish the scope of work for each loan and finalize the nature of the work involved.

Commissioner Covington inquired about the electrical, plumbing and heating upgrade, roofing and window repair and replacement, exterior painting, accessibility modification and seismic upgrades, and asked if there were business owners in the 94124 zip code who would be able to provide the services and if the Agency was trying to attract new business into the area.

Ms. Dandridge stated that the Agency was definitely trying to attract more business into the area and that there was a list of contractors that had actually gone through the City's Surety Bond Program and identified contractors from the 94124 zip code and that Ms. Ellouise Patton of Young Community Developers was also assisting in generating a list of contractors as part of the outreach requirements of the Agency's Contract Compliance policies. Ms. Dandridge stated that people were excited about the program and that word of mouth was spreading through the neighborhood.

Commissioner Covington put forth a motion to adopt item 4 (d).

Commissioner Romero stated that he wished all of the Commission's decisions were this easy given all of the tremendous support for the program, and that it was easy to second the motion.

Commissioner Breed stated this was one of the programs she was most proud to have participated in, and that she knew that Mr. Sobel and Ms. Dandridge had worked extremely hard with the community, and recalled that she sat on the community grant committee that awarded the \$88,000 for the program, and that she met some of the residents personally and they all seemed very enthusiastic about the program. Ms. Breed stated that she was extremely happy to be part of the decision and thought that the program would bring extraordinary changes to the community and if anyone in the Bayview Hunters Point deserved such a program, this particular area, which she was very familiar with, deserved it more than any other place in the Bayview. Ms. Breed stated that she hoped the Agency could duplicate the program in other areas of the Bayview with similar problems and that she looked forward to the opening, ribbon cutting, block party or whatever celebration the residents decide to have, and that she wished the residents the best and that she would continue to be an advocate for the program.

Commissioner Cheu stated she agreed with everyone and thought it was a good program with the convergence and inclusion of the Young Community Developers, local contactors and the physical beautification elements of the program, and that she was happy to see the construction administrator position because her experience with single-family home rehabilitation programs was that it they could be very difficult and it was important to have someone working with the residents and contractors to ensure the timely completion of all the work. Ms. Cheu stated she totally supported the program.

Commissioner Singh stated he liked the program very much, but that there was only \$1 million, which would mean that each resident would only get \$75,000.

Executive Director Rosen stated that the Agency staff believed that \$1 million would be adequate to get this first block going and hopefully, it would be as successful as everyone expected it to be, and that the Commission would have future opportunities to appropriate additional funds when that was necessary.

President Peterson urged Executive Director Rosen to place a special emphasis on the program because he thought it was a great program and for staff to do all it could to accelerate the program and extend the program in other areas.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 32-2007, AUTHORIZING THE MODEL BLOCK HOME IMPROVEMENT LOAN PROGRAM IN AN AMOUNT NOT TO EXCEED \$1,000,000, BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Commissioner Breed put forth a motion to take item 4 (h) out of order. President Peterson seconded the motion.

- 4 (h)** Resolution No. 36-2007, Authorizing a tax increment loan agreement with Baldwin House Hotel, LLC, a California limited liability company, for an amount not to exceed \$100,000, pursuant to the Single Room Occupancy Hotel Rehabilitation Loan Program, for rehabilitation activities at the Baldwin Hotel located at 74 Sixth Street; South of Market Redevelopment Project Area

Presenters: Lucia Mele (Agency staff)

Commissioner Singh put forth a motion to adopt item 4 (h). Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 36-2007, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH BALDWIN HOUSE HOTEL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR AN AMOUNT NOT TO EXCEED \$100,000, PURSUANT TO THE SINGLE ROOM OCCUPANCY HOTEL REHABILITATION LOAN PROGRAM, FOR REHABILITATION ACTIVITIES AT THE BALDWIN HOTEL LOCATED AT 74 SIXTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Note: The Commission resumed discussion of agenda items 4 (e), (f) and (g).

Items 4 (e), (f) and (g) were presented together and acted upon separately.

- 4 (e)** Resolution No. 33-2007, Conditionally approving the combined basic concept and schematic design for a commercial building on Block 26 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

- 4 (f) Resolution No. 34-2007. Conditionally approving the combined basic concept and schematic design for a commercial building on Block 27, Parcel 1 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area
- 4 (g) Resolution No. 35-2007. Conditionally approving the combined basic concept and schematic design for a parking garage on Block 27, Parcels 2 and 3 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Terezia Nemeth (Alexandria Properties)

Commissioner Romero asked staff to refresh his memory as he recalled that the Agency had to adjust the total number of parking spaces in Mission Bay because of the expressed desire of potential tenants wanting more parking spaces.

Ms. Amy Neches, Senior Project Manager, stated that the Design for Development as amended in 1998, provided for one parking space per 1,000 square feet of office space, and that she believed that three years ago, the Agency made the adjustment primarily for bio-technology laboratory buildings, that would provide two parking spaces for 1,000 square feet of office space. Ms. Neches stated that for the major phase, which the proposed garage would serve, and the building would be a hybrid building where half the space was laboratory space and the other half was traditional office space, there would be 1,400 parking spaces for 1.1 million square feet, so it would be about 1.3 parking spaces per 1,000 square feet of office space, which was under the maximum that could be developed, and that the developer felt that would be adequate for the proposed project. Ms. Neches stated that it was expected that most of the workers would take advantage of the new T line light rail bus system and that some of those living in the area would walk to work as well.

Commissioner Romero stated that unless the parking garages were put underground, which would be cost prohibitive, parking structures were necessary to serve the parking needs.

Ms. Neches stated that was certainly the case because in Mission Bay, which was close to the water, with the water level right under the ground, it was virtually impossible to put the parking garages underground.

Commissioner Romero stated he thought that all of the structures looked very attractive and even though it was difficult to make a parking structure look attractive, the proposed structure was the most attractive one he had seen.

Ms. Neches stated that pulling the parking structure off the main street not facing Third Street or the park would be beneficial, and because above-grade parking was necessary, grouping all of the parking structures together made sense.

Commissioner Romero stated he thought the trade off with the attractive nature of the structures for the people that would be working there was well worth it. Mr. Romero put forth motions to adopt items 4 (e), (f) and (g).

Commissioner Covington asked for an update on discussions about jobs that would be created for people who did not have post-graduate degrees.

Ms. Neches stated that the information she had received was that bio-technology companies employed a very large range of different types of workers, and that essentially, for every PhD, there would be seven additional workers at different levels on a technical scale, so there would be jobs at different levels. Ms. Neches stated that both City College and San Francisco State University already have extremely active training programs for their students, which would get jobs as soon as they finished the training programs, which ranged from certificate programs to full bachelor's degrees. Ms. Neches stated that the bio-technology companies were quite enthusiastic about working with the schools and that Alexandria Properties was funding a new laboratory for San Francisco State University in order to help create training programs not only for their tenants, but also for bio-technology companies throughout the Bay Area. In addition, in Mission Bay, all companies worked through the City's First-Source Hiring Program for entry-level jobs as they hired permanent workforce, so that the Agency was working with the companies at various levels for everything from clerical levels to all of the technical levels. Ms. Neches stated that the issue in Mission Bay was to get enough trained workers at every job level, so the Agency was very excited about the opportunities for San Francisco residents.

Commissioner Covington stated that to the extent that the Agency could assist with the development of jobs that would lead to professional careers, she would like the Agency to be able to do that in the bio-technology industry, since the Agency was investing so much time and energy in the Mission Bay sector of the City. Ms. Covington seconded Commissioner Romero's motions to adopt item 4 (e), (f) and (g).

Commissioner Singh asked what the total cost of the project was, and if there were any Indian contractors.

Ms. Neches stated that the total development cost would be in the \$200 million range. Ms. Neches stated that the Agency and the developer were only at the design stage and have not hired contractors yet because the Commission had not yet approved the proposed projects, but that there were Indian firms involved in the engineering and design of the projects, which would be subject to the Agency's Contact Compliance policies.

President Peterson stated there were two things that Commissioner Covington felt very strongly about, and those were benches and parking structures, so he would urge Ms. Neches to keep a special eye on the parking structures.

Commissioner Cheu stated she was curious to know if the undulating lace-like screens on top of the windows, which were intended to keep out the sun, had been used in other buildings in San Francisco.

Mr. Ben Trennel from Gensler Architects, stated that he was not aware that the undulating screens proposed were used elsewhere in the City and that this was a new concept they had developed to create the play of light and shadow on the surface of the buildings in order to give it some architectural interest and texture, and the sun-shading allowed them to use a highly transparent glass, which would give the building more openness to Third Street, which was a major public street.

Ms. Neches stated that all of the buildings were subject to Title 24, which meant that they had to protect from a certain amount of sun and only let a certain amount of light in and that all of the building were undergoing Building Department review on Title 24 to make sure they would be sustainable and code compliant.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 33-2007, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A COMMERCIAL BUILDING ON BLOCK 26 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA. PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 34-2007, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A COMMERCIAL BUILDING ON BLOCK 27, PARCEL 1 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 35-2007, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A PARKING GARAGE ON BLOCK 27, PARCELS 2 AND 3 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

President Peterson stated that without objection, he would suggest item 4 (j), the workshop on the proposed conceptual framework for the Hunters Point Shipyard and the Candlestick Point area be presented next on the agenda, ahead of item 4 (i), the budget workshop.

- 4 (j)** Workshop on the proposed conceptual framework for the Hunters Point Shipyard and the Candlestick Point area of the Bayview Hunters Point Project Area

Presenters: Michael Cohen (MOEWD), Kofi Bonner (Lennar)

Speakers: Dr. Ahimsa Sumchai, Angelo P. King, LaRonda Smith, Franklin Ross, Al Norman, Mike Brown

Commissioner Romero noted that Mr. Kofi Bonner had described the proposed arena, which was a distance away from the proposed stadium and associated parking, and asked what the thinking was on the proposed arena and its parking needs.

Mr. Kofi Bonner of Lennar stated that there would be a fairly significant parking structure associated with the retail area and that the thinking was because of the size of the proposed arena, which was not a standard National Basketball Association (NBA) sports arena and would be smaller in size and more the size of the Stockton arena that was built a year ago, along with the associated parking for the proposed 700,000-square foot retail and office complex, they thought that there would be adequate parking to serve the needs of the proposed smaller-size arena.

Commissioner Romero asked why the San Francisco 49ers would be enticed by the idea of having an arena in the same general area as the football stadium.

Mr. Bonner stated that actually, the San Francisco 49ers were not interested in the proposed arena, which came about by virtue of the marketing studies they had done and the interest shown by people who were in the business of live performances and like events and were looking for venues in San Francisco, and that as Commissioners knew, there were no such venues for such performance events in San Francisco.

Commissioner Romero asked if there was any thought that it would not be designed as a sports arena, but rather as an entertainment arena.

Mr. Bonner stated that in fact, the proposed arena would be a live performance entertainment arena and that the notion was that it could double up as a sports venue as well.

Commissioner Romero stated that it would seem to him that there would be different configurations for each use.

Mr. Bonner stated that the configurations were actually similar, and for the live performances, there would be seating on the floor of say, the basketball court.

Commissioner Romero stated he understood as he had gone to sports arena where they had done live performances. Mr. Romero thanked Mr. Bonner and Mr. Cohen for the informative presentation.

President Peterson stated he would entertain a motion to continue item 4 (i), the budget workshop, to the next Commission meeting and asked if there were members of the public wishing to comment on the Agency's proposed budget for fiscal year 2007-2008. (There were no members of the public who wished to comment)

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (i) WORKSHOP ON THE AGENCY'S FISCAL YEAR 2007/08 BUDGET, BE CONTINUED TO THE MAY 1, 2007 COMMISSION MEETING.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.
7. **REPORT OF THE PRESIDENT** None.
8. **REPORT OF THE EXECUTIVE DIRECTOR** None.
9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner Breed asked why the letter from Ms. Noni Richen (regarding the 1345 Turk Street project) was included in the Commissioners' agenda packet, while the e-mail sent from Mr. George Smith, which was sent on time, was not provided to the Commissioners until the meeting.

Executive Director Rosen stated that she did not know about Mr. Smith's e-mail until the day before (Monday) when Ms. Gaynell Armstrong gave her a copy as she (Ms. Rosen) was not copied on the e-mail, and upon inquiring about the e-mail, found out that it was sent to Ms. Armstrong and Commission Secretary Erwin Tanjuaquio, and that she asked that the e-mail be logged in and provided to the Commission.

- Commissioner Breed stated that the problem she was having with receiving correspondence and information the day of the Commission meeting was that she did not have time to go through all of the material and read them during the meeting, and thought that it was unfair to receive such a letter the day when the Commission was considering such an important decision. Ms. Breed stated that she would ask that when there was correspondence to Commissioners received in time before the agenda packets were sent to Commissioners, that they would be included in the agenda packets. Ms. Breed stated that these matters were extremely important and that Commissioners should not receive a letter that was sent a week before on the day of the Commission meeting where Commissioners would not even have the time to acknowledge or read the letter.

- President Peterson stated that he would concur with Commissioner Breed's comments and perhaps such correspondence could be sent via facsimile to Commissioners in order to be timely.

Executive Director Rosen stated that she always tried to do that, but that she did not know about the e-mail until the day before the Commission meeting.

- President Peterson stated that staff should be advised that would be the Commission's wish to receive such correspondence in a timely manner.

Commission Secretary Erwin Tanjuaquio stated that the e-mail was sent to him and that he took full responsibility for not including it in the agenda packets because he simply neglected to print it out and send it to Commissioners with their agenda packets. Mr. Tanjuaquio assured the Commission that would not happen again.

- Commissioner Breed stated that the other concern she had was that she had previously requested that the Western Addition CAC meetings be included in the Project/Survey Area Community Meeting calendar that was provided to the Commission, and that she would make the same request because the current community calendar did not include the scheduled CAC meetings.

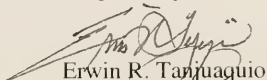
Executive Director Rosen stated that she would speak with staff again.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:36 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

May 1, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
1ST DAY OF MAY 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of May 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of April 17, 2007

4 (b) Resolution No. 37-2007, Authorizing the Executive Director to apply and, if awarded, to accept \$5 million in Residential Development Loan Program funds from the California Housing Finance Agency for use in the development of affordable homeownership housing; all redevelopment project areas, Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a), APPROVAL OF MINUTES: MEETING OF APRIL 17, 2007, AND 4 (b) RESOLUTION NO. 37-2007, AUTHORIZING THE EXECUTIVE DIRECTOR TO APPLY AND, IF AWARDED, TO ACCEPT \$5 MILLION IN RESIDENTIAL DEVELOPMENT LOAN PROGRAM FUNDS FROM THE CALIFORNIA HOUSING FINANCE AGENCY FOR USE IN THE DEVELOPMENT OF AFFORDABLE HOMEOWNERSHIP HOUSING; ALL REDEVELOPMENT PROJECT AREAS, CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (c) Workshop on the Agency's Fiscal Year 2007/08 Budget

Presenters: Mario Menchini (Agency staff)

Speakers: Ace Washington, Angelo P. King, Rev. Arnold Townsend

Affordable Housing Program (Sally Oerth):

Commissioner Covington stated she noted that a half-time position was proposed for the Certificate of Preference Program and asked staff to provide a breakdown of the \$100,000 designated for the Certificate of Preference Program

Executive Director Rosen stated that the amount was to be expended as the Agency begins to develop the enhanced outreach efforts discussed at the previous Commission workshop. Ms. Rosen stated that staff had estimated the amount, but that had not been finalized in a budget line item so that there could be input from the Citizens' Advisory Committee (CAC), Project Area Committee (PAC) and the Commission, and to have the funds available for that purpose.

Commissioner Covington stated that she was glad to see that there were funds in the proposed budget for the Certificate of Preference Program because this was something she had pushed for, but that she would also like to see the outreach efforts to include some provision for an ombudsman for the program as the certificate holders seemed to be having difficulty interfacing with the Agency. Ms. Covington stated that she was not sure that a half-time person would be able to help find the more than 3,000 people with certificates that the Agency had lost contact with, and asked staff to review that. Ms. Covington asked Ms. Sally Oerth to speak more about the proposed 20 housing units for the youth at the Octavia and Haight parcel.

Ms. Sally Oerth, Senior Development Specialist, stated that was Central Freeway Parcel U, which was owned by the Agency and currently used as a surface parking lot, and that staff was anticipating releasing the Request for Proposals (RFP) within 2007. Ms. Oerth stated that staff had identified some State funds for supportive housing for youth as a funding source for the project and the hope was to time the project to avail of the State funds. Ms. Oerth stated that staff had not yet drafted the RFP, but that the site had been identified for the potential use of youth housing.

Commissioner Covington asked if the proposed housing was intended for any youth or formerly homeless youth or emancipated youth, and if the housing would be a group home.

Ms. Oerth stated she understood that the proposed housing would be transitional housing for youth aging out of the foster care system, and that she believed the age range would probably be between 18 and 24 years old and the funding for such programs targeted this age range. Ms. Oerth stated that the proposed housing would be individual supportive housing units, probably studio units.

Commissioner Covington asked if there would be supportive staff onsite.

Ms. Oerth stated that all of the supportive housing projects included supportive services onsite, and this would be required for this project.

Executive Director Rosen stated that on these types of housing, the Agency planned with the Department of Public Health and the Department of Human Services and the Mayor's Office of Housing in identifying the needs, and staff would provide information to the Commission describing the process before a RFP was issued. Ms. Rosen stated that the proposal was still at the discussion stage, but that the Commission would be kept informed.

Commissioner Cheu stated that with the lower housing budget proposed for the upcoming fiscal year, asked staff to provide an explanation as to why the housing budget was lower and also provide information on the previous year trends on the Agency's housing budget.

Mr. Mario Menchini, Senior Financial Analyst, stated that the amount he indicated in his presentation actually did not incorporate the additional \$8.5 million that the Housing Division would like to add to the proposed budget, and that would probably be the second or third highest housing budget for the Agency.

Commissioner Cheu stated she knew that San Francisco had a really strong record of exceeding the mandatory tax increment affordable housing set-aside required by State Law, and asked what the set-aside percentage was for the upcoming fiscal year.

Mr. Menchini stated that he had not yet included the \$8.5 million in the calculation, but that without that figure, the set-aside was 40% of tax increment allocations, and probably at 45 to 50% with the additional \$8.5 million.

South of Market (Mike Grisso):

Commissioner Breed asked if the proposed budget for South of Market included the funds set-aside from the previous year for the Bindlestiff Studio.

Mr. Mike Grisso, Project Manager, stated that the proposed budget for South of Market did not include funds for the Bindlestiff Studio as those funds were in the current fiscal year budget.

Transbay (Mike Grisso):

Commissioner Covington stated she noticed on the Transbay map that the blocks were numbered 1 through 9 and then skipped to number 11, and asked if there was a block number 10.

Mr. Grisso stated that block number 10 was actually the block next to block number 9 and that the reason why block number 10 was not identified on the map was because the block has an existing building on it and there were currently no plans to demolish the building or to redevelop that block. Mr. Grisso stated that the numbered blocks, 1 through 9 and block 11, were identified as development blocks.

Mission Bay North and South (Amy Neches):

Commissioner Covington stated that Ms. Neches mentioned new soccer fields within Mission Bay and asked who would be responsible for the maintenance of the soccer fields, or if they would be turned over to the City's Recreation and Park Department. Ms. Covington asked how many acres of parks had been developed in Mission Bay.

Ms. Amy Neches, Senior Project Manager, stated that there were soccer fields planned for the Bayfront Park right along the Bay, and that all of the parks in Mission Bay were managed by the Agency and the funding was provided through special taxes assessed against the privately-owned properties in Mission Bay and not the Agency-owned affordable housing parcels. Ms. Neches stated that the Agency had a contract with MJM Management Group to manage the parks including the soccer fields. Ms. Neches stated that the total public park lands in Mission Bay that the Agency would be responsible for would be a total of 43 acres, and that to date, there was approximately 6 acres that had been completed and approximately 3 more acres under construction and the soccer fields were still a couple of years away from being constructed.

Rincon Point – South Beach (Amy Neches):

Commissioner Breed asked once the funding for the Rincon Point – South Beach Project was depleted, what the plans were for the South Beach Harbor Services building to become self-sufficient.

Ms. Neches stated that the South Beach Harbor Services building was operated through the South Beach Harbor, so the building was paid for through South Beach Harbor funds, and that the Harbor generated more than sufficient funds to operate the building. Ms. Neches stated that the Agency would continue to operate the harbor, the services building and the adjoining park for the time being, and that the Agency had prior and ongoing discussions with the Port of San Francisco about possible long-term re-disposition of the property, but that at this point, the Port had asked the Agency hold on to the property and continue the improvements and operations, but the services building was self-supported by the South Beach Harbor without the use of tax increment monies.

Yerba Buena Center (Amy Neches):

Commissioner Breed asked if there were any plans to improve the entries and exits for the Jessie Square parking garage, because it was a little tricky getting in and out of the garage.

Ms. Neches stated that she agreed with Commissioner Breed that it was extremely difficult to get in and out of the parking garage on Stevenson Street, but unfortunately, during the original planning of the garage, it was determined by the Department of Parking and Traffic that there could not be an entry on Mission Street, only an exit onto Mission Street. Ms. Neches stated that staff had periodic discussions with the Department of Parking and Traffic as to whether the entry and exit flow could be reversed and enter on Mission Street to make it more accessible, and at this point, they felt because of the City's transit-first policy and the desire to keep the buses moving (along Mission Street), reversing the entry and exit flow would not be possible, and that the access to the parking garage was restricted on Stevenson Street.

Commissioner Breed stated that her concern was for disabled patrons because the exit was a distance from the entryway.

Ms. Neches stated that once someone parks in the garage, they would come up the elevator to Jessie Square and right now, there was a long walkway to Mission Street, but that once Jessie Square was completed, the elevator would take the patrons right onto Jessie Square that would connect to Yerba Buena Lane, and the pedestrian access would be very good.

Commissioner Cheu asked how long the multi-year funding for the Museum of the African Diaspora was, and what the total budget was for the museum.

Ms. Neches stated that the multi-year funding agreement with the Museum of the African Diaspora would go through 2013 and would provide \$500,000 a year until the last two years, which would be \$400,000, and the reason why the funds were being accumulated in advance was because the Yerba Buena Center Redevelopment Plan would expire in 2010, and the Agency was reserving tax increment monies in order to meet the Agency's legal requirements. Ms. Neches stated that the museum's budget was a little under \$2 million.

Commissioner Cheu asked if there were any updates on the proposed Mexican Museum and if there were funds associated with it.

Ms. Neches stated that the Agency had been in a long-term disposition agreement with the Mexican Museum to develop a museum on the site, but that the project had lagged many years largely because of organizational difficulties within the museum and difficulties in fundraising. Ms. Neches stated that the project was very challenging and the amount of money that had been budgeted on the Agency's part, which was substantial, were not nearly enough to complete the project as construction costs had increased so dramatically in the last few years. Ms. Neches stated that the Agency was reviewing the project in its entirety and looking at other ways to bring the project to fruition and staff would bring a plan to the Commission as soon as it could.

Commissioner Breed stated she read in the staff report that the Commission was going to be asked to transfer excess funds from the Yerba Buena Center budget to be used for citywide affordable housing development including the Western Addition, and requested verification that there were excess tax increment funds in Yerba Buena Center.

Executive Director Rosen stated the debt capacity of the Yerba Buena Center Redevelopment Project Area had been used for supporting the Agency's citywide affordable housing, and as the Commission knew, under the State Redevelopment Law, the use of tax increment for affordable housing was the only exception to the rule. Ms. Rosen stated that in prior years when the Agency had excess debt capacity, the Agency had used Yerba Buena Center tax increment to support the Agency's citywide affordable housing debt. Ms. Rosen stated that Commissioner Breed was correct that in recent years, citywide housing had been the source of funds for the Western Addition affordable housing developments, because there was limited tax increment available in the Western Addition. Ms. Rosen stated that Commissioner Breed may be recalling that before the Yerba Buena Center Redevelopment Plan expires on January 1, 2010, that the Agency would likely propose a SB2113 redevelopment plan amendment similar to the one that the Commission recently approved for Rincon Point – South Beach, so that the Agency could continue to collect tax increment past the expiration of the redevelopment plan and to use those funds to replace housing that was lost during the years of urban renewal prior to 1976.

Commissioner Breed asked if the excess tax increment would be used specifically for affordable housing or could the tax increment be used to assist with some of the museum projects.

Executive Director Rosen stated that the Agency would use Yerba Buena Center's tax increment to fulfill the redevelopment plan goals first, and to the extent that it would be required to complete the redevelopment plan on parcels owned by the Agency, it would do that first, and then look to affordable housing development.

Commissioner Breed asked if the Agency would be able to complete the planned Mexican Museum.

Executive Director Rosen stated that there were already funds budgeted for the Mexican Museum, and that the Agency was working with the museum, the Mayor's Office and adjacent property owners to see if there were other ways to achieve a Mexican Museum in a more economically sustainable way, so all alternatives were being explored.

Commissioner Breed asked if there was ever a San Francisco Museum considered along with all the other museums in Yerba Buena Center.

Ms. Neches stated that there was not a plan for a San Francisco Museum within the Yerba Buena Center Project Area, but that there was the San Francisco Historical Museum that was being planned for the San Francisco Mint, which was just across the street, and although it was not with the project area, it would function as part of the cultural facilities in and around Yerba Buena Center.

Commissioner Breed asked if that was the reason why the San Francisco Historical Museum was not included in the Yerba Buena Center Project Area.

Ms. Neches stated that was not the reason as the Yerba Buena Center plan was put in place long before the idea of a San Francisco Museum had advanced at that time, when the other museums were being planned.

Western Addition A-2 (Gaynell McCurn);

Commissioner Breed asked if the proposed \$100,000 for streetscape repairs would be adequate, and what the estimated cost of sidewalk repairs was. Ms. Breed stated that she did not see funds budgeted for the Blue Bridge and asked if there were any plans to allocate more money for improvements to the bridge, and if there were any plans to remove it or just repair the panels.

Ms. Gaynell McCurn, Project Manager, stated that the \$100,000 was from tax increment funds and there was a current estimate of \$50,000 to do the streetscape repairs. Ms. McCurn stated that there was no new funding request for the Blue Bridge as there was still \$108,000 remaining in the current fiscal year budget designated for the bridge. Ms. McCurn stated that the damaged panels had been repaired, but that the panels had not been replaced because in discussing the matter with the CAC, there was a concern that the new panels may be damaged again. Ms. McCurn stated that the CAC had asked the Agency to work with the Arts Commission and the artist to determine where the bridge artwork could be relocated.

Commissioner Breed stated that if the decision was made to relocate the bridge artwork, additional funds would be needed to make improvements on the bridge.

Ms. McCurn stated that if the bridge artwork was relocated, funds would be needed to either replace what was originally installed or to follow up on some of the suggestions from the Commission.

Commissioner Breed inquired about the Request for Proposals (RFP) for the Muni substation parcel and requested verification that the \$1.6 million was for the seismic repairs.

Ms. McCurn stated that staff was still working with the CAC to complete the draft RFP and the Commission would have the opportunity to review the RFP before it would be published. Ms. McCurn stated that the \$1.6 million was a new funding request not only for seismic upgrades, but also for consultants and outreach expenses.

Commissioner Breed stated that she was concerned about spending that much money for the Muni substation parcel. Ms. Breed stated that she would like to see the \$5,000 budgeted amount for the CAC increased because that would not even be enough to pay for the meeting facilities. Ms. Breed stated that \$200,000 was budgeted for the South of Market Project Area Committee and only \$5,000 for the Western Addition CAC, and that she would like to see that amount amended based upon the CAC's actual costs.

Executive Director Rosen stated that she would like to point out that the Agency had different amounts budgeted for different CACs in areas where there was a CAC, and as the Commission knew, there was about 20 years of significant funding for the Western Addition Project Area Committee when it was funded. Ms. Rosen stated that the Agency had a statutory limit on the amount of money available for the Western Addition, and if the Commission chose to budget more of the statutory limit for CAC costs, there would be less money available to complete projects in Western Addition. Similar to the Mission Bay or Transbay CACs the Agency staff did a lot of the administrative work in order to keep the costs down, but that the Commission had the discretion to amend the budget, and absorbed administrative costs as part of the Agency's administration budget.

Commissioner Breed requested verification that the funds for the proposed position for the Certificate of Preference Program were coming out of the Western Addition budget.

Executive Director Rosen stated that the position would be funded from the Citywide Housing Program budget.

Commissioner Breed stated that she understood that the position for the Certificate of Preference Program would be a full-time position, but that now it was proposed to be a half-time position.

Executive Director Rosen stated she thought that Mr. Olson Lee budgeted the position as the equivalent of a half-time position, but that the position might be full-time for a shorter period of time, and would be a limited-term position. In addition, the \$100,000 would be a budget for the other costs that the Commission had identified to augment the outreach efforts.

Commissioner Breed requested staff to prepare a realistic budget for the Western Addition CAC so that she could look into options of possibly amending the budget to reflect that before the next Commission meeting.

Ms. McCurn stated that there was about \$2,000 remaining in the CAC budget in the current fiscal year budget for meeting space and food costs.

Commissioner Breed asked if she could have prior to the next Commission meeting, a realistic budget for the CAC and any possible carryovers from the current fiscal year budget.

Commissioner Covington asked for an enumeration of support staff for the South of Market Project Area in addition to Mr. Mike Grisso, the Project Manager.

Executive Director Rosen stated that there is a part-time Assistant Project Manager, and part of her responsibility was assisting in the South of Market Project Area, and that the administrative support staff for the Project Management Division worked as part of a team to cover the administrative support load of the division.

Commissioner Covington stated that she noticed on page 71 of the proposed budget, under Personnel Positions and Salaries, which listed five Project Area Managers, but only four Project Area Assistant Managers, and the one area missing an Assistant Manager was the Western Addition, and that was the area that needed an Assistant Manager the most. Ms. Covington stated that the Agency had a year and a half left in the Western Addition and the Commission would like to finish in fine form and to have just one staff person seemed inequitable.

Executive Director Rosen stated that she previously provided the Commission with an informational memorandum responding to some of the questions, and that one of the points that was made was that the Western Addition had less development activity than a new project area like Mission Bay and had an experienced Project Manager devoted full-time to the Western Addition, whereas the other project areas (except for the Hunters Point Shipyard), had project managers that worked in more than one project area. While there was not a specific assistant project manager devoted to the Western Addition, if the Commission looked at the budget and the amount of staff time spent on the Western Addition, staff from all divisions,

including Development Services, Architecture and Engineering, Legal, etc., spent far more time on the Western Addition spread between different personnel, compared to the time available from one assistant project manager position. Ms. Rosen stated that the Agency did devote a great deal of the Agency's administrative personnel budget to Western Addition work. The Agency did not have the support of the Mayor's budget office to increase the number of full-time equivalent positions, and the Agency did not have the resources in the Western Addition budget to support, with Western Addition funds, another full-time staff position. The Western Addition workload was handled with the devotion of a single-purpose project manager supplemented by a great number of hours of a great variety of Agency staff from all divisions and that staff believes it is covering the workload adequately with the resources available.

Commissioner Covington stated that with the Agency's available resources, she wished that she was as optimistic as the Executive Director, because she did not think that the Agency was not handling things in the Western Addition as well as it could. Ms. Covington stated she thought that the Western Addition was not being provided with adequate personnel and that something had to be done about it, even if it meant a Commissioner or two speaking with the Mayor's Office about the issue because she thought that this was a critical need and the need would not go on for 10 or 12 years, but for only 18 months, and that she thought the Agency should find the money for the additional personnel as well as money for the CAC. Ms. Covington stated there was a lengthy discussion about one of the projects in the Western Addition and recalled that there was a call for the CAC meeting minutes and there were no minutes taken because there was no money for staff to prepare the CAC meeting minutes, and that she did not see why that could not be done for the Western Addition when that was done for other areas. Ms. Covington stated that the Agency had 18 months left to put its best thinking and resources forward for the Western Addition and the Agency had to find a way to do that because there was still a lot to be done. Ms. Covington stated that she would like a closer look at the Western Addition budget and that she would encourage her fellow Commissioners to do the same. Ms. Covington referred to page 20 of the budget under Personnel Costs, and noted that the personnel costs attributed to the Western Addition was \$2.3 million, and asked how that could be possible when there was only one full-time staff position assigned.

Executive Director Rosen stated that because of the restrictions on tax increment financing pursuant to State law, the Agency kept records of what work was being done for each project area and the project areas were billed for that time, and that personnel cost was based on actual time sheets of people working on the project area and that figure was the cumulative amount of Agency staff time working on Western Addition matters as reflected in their time sheets. Ms. Rosen stated that for example, when any

of the Agency Architects was reviewing plans or going to meetings, or the Agency's real estate division was working on the streetscape or an owner participation agreement or a private development in the Western Addition, their time was billed to the Western Addition. Ms. Rosen stated that the summary of personnel costs on page 6 of the budget, showed the cumulative personnel costs for each project area based on billable hours for Agency staff.

Commissioner Covington stated that if the Agency was spending \$2 million in personnel costs attributed to the Western Addition and there was only one full-time person for Western Addition, asked why the Agency could not shift some of the \$2 million for a dedicated staff person for the Western Addition instead of a piece-meal approach. Ms. Covington stated that from a management point of view, one full-time person for the Western Addition handling a \$2 million budget would require that person to manage a lot of administrative tasks spread out through a lot of different departments, and that was not the way to get the best of the Agency's manpower.

Executive Director Rosen stated that the \$2.3 million was actual staff time of actual employees already in the Agency's budget, so it was not a pot of available funds and it was reflecting the work actually done by employees.

Commissioner Covington asked what leeway the Agency had to get the resources it needed in the Western Addition, so that there was not just one person doing everything.

Executive Director Rosen stated that the Project Manager's job was to assemble and coordinate the work of other Agency staff across disciplines who were working within the project area.

Commissioner Covington stated that was the job of every other project manager for the other project areas, and each had an assistant project manager supporting them.

Executive Director Rosen stated that in terms of managing the budget, the budget for the project area was managed by the project manager. In addition, a lot of the work for any project area was affordable housing and the affordable housing budget was managed by the Housing Division, with overall budget oversight by the Agency's Finance Division.

Commissioner Covington asked what needed to be done to get a full-time assistant project manager for the Western Addition for the next 18 months.

Executive Director Rosen stated that if the Commission includes the assistant project manager position in the proposed budget that would mean that there would be fewer Western Addition resources to fund the actual work program in the project area within the statutory funding cap.

Commissioner Covington asked what the statutory funding cap was for Western Addition.

Mr. Menchini stated that there would be approximately \$600,000 in tax increment under the statutory cap of \$270 million beginning with the 2008/2009 fiscal year.

Commissioner Covington asked if there was money available that could be used for a staff position.

Mr. Menchini stated that any money used in the next fiscal year would have to be deducted from the \$600,000 that would become available otherwise in the 2008/2009 fiscal year. Mr. Menchini stated that it was a fixed amount of money that could be used either at the front or spread out through two years time.

Commissioner Covington stated that the money was needed up front because it was needed for a long time. Ms. Covington requested verification that when it came to housing, the Agency could use tax increment money from anywhere in the City for the Western Addition.

Mr. Menchini affirmed that the Agency could use tax increment money from anywhere in the City for the Western Addition.

Commissioner Covington requested verification that the tax increment money was not being impacted by any staff additions or changes.

Mr. Menchini stated that the Agency could use tax increment money from any project area to fund affordable housing development.

Commissioner Covington stated she thought that her fellow Commissioners were clear as to what she wanted to see happen in the Western Addition.

Commissioner Breed stated that she totally agreed with Commissioner Covington with regard to the staff position and it appeared that the Commission could make that happen based upon the proposed budget. Ms. Breed stated that she would also like to see a full-time assistant project manager position devoted fully to the Western Addition in addition to an increase in the CAC budget. Ms. Breed asked if there was any possibility of using some of the proposed \$1.615 million in seismic work for the Muni substation building for paying for the assistant project manager position and to increase the CAC's budget.

Executive Director Rosen stated that staff would look into the matter and report back to the Commission.

Hunters Point; India Basin Industrial Park (Lisa Zayas-Chien):

Bayview Hunters Point (Lisa Zayas-Chien):

Commissioner Breed referred to page 58 of the budget under project summary, and asked what was meant by the term “at-risk housing?”

Executive Director Rosen stated that the term “at-risk housing” meant it was housing that was subsidized by the U.S. Department of Housing and Urban Development (HUD) that was at risk of going to market-rate housing, and that the Agency was not actively working on any such housing in the Hunters Point Project Area at this time.

Commissioner Breed asked for the individual project areas that had a budgeted amount for personnel costs under the housing program, which Executive Director Rosen stated that was based upon each department’s billable hours, and since there was a separate housing budget, if those amounts overlapped. She asked for an explanation of how the Housing Division would bill for a certain neighborhood when there was a separate housing budget.

Executive Director Rosen stated that all Agency staff were required to bill all affordable housing staff time to Citywide housing, not to the project area personnel costs.

Hunters Point Shipyard (Nicole Franklin):

Visitation Valley (Tom Evans):

Commissioner Covington asked how large of a facility was planned for the community grocery store.

Mr. Tom Evans, Lead Planner, stated that initially, staff was looking at a full-service grocery store of between 40,000 to 50,000 square feet that had been scoped in the Environmental Impact Report. Mr. Evans stated that there were plans to locate a grocery store within the Bayview Hunters Point as well as in Daly City just south of the Bayview, where they were planning to locate a grocery store on the Cow Palace parking lot, and that with these other plans, staff was looking at options to provide a smaller scale about 20,000 square feet, grocery store within Visitation Valley.

Commissioner Covington asked if marketing efforts had begun to attract a grocery store operator in Visitacion Valley.

Mr. Evans stated that staff had been in active discussions with the Mayor's Office of Economic and Workforce Development who had been conducting grocery store solicitations for the entire southeast quadrant of the City and had met with the large operators such as Albertson's and Safeway as well as smaller operators like Harvest Market and Trader Joe's in order to determine if there was interest in coming to the area. Mr. Evans stated that in addition, staff had done site plans that could facilitate the introduction of either type of grocery store, either as a stand-alone grocery store or part of a mixed-use project. Mr. Evans stated that Agency had planned the space and would rely on the Mayor's Office to do the outreach to bring in a tenant.

Commissioner Breed requested verification that the Cow Palace was in Daly City and asked if Agency staff had consulted with Daly City about their plans.

Mr. Evans stated that the Cow Palace was primarily within Daly City boundary, but a small portion of the surface parking lot was within the San Francisco boundary. Mr. Evans stated that Agency staff met extensively with San Mateo County planners, both in Brisbane and Daly City to look at not only transportation issues, but also everyone's commercial expectations so that the commercial capacities were not overestimated.

Mid-Market (Lisa Zayas-Chien):

Commissioner Covington stated that she did not have any questions about Mid-Market, but that she would like to see a line item on the proposed budget for a parliamentarian for the Commission. Ms. Covington stated she thought that the Commission would be well served to have a parliamentarian for the Commission meetings so that there could be more clear and transparent Robert's Rules of Order. Ms. Covington stated she understood that in the past, the Commission had a parliamentarian and that she would like to see a budget line item for the coming fiscal year.

Speakers: Ace Washington, Angelo P. King, Rev. Arnold Townsend

Commissioner Breed stated that she would like to see an accounting of the \$2 million in personnel costs in order to understand how the work hours were billed and also if staff time attending CAC meetings were billed.

- 4 (d) Resolution No. 38-2007, Authorizing a letter agreement with the Department of Public Works of the City and County of San Francisco in an amount not to exceed \$120,000 for planning services for alleyways improvements; South of Market Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Ingrid Aquino

Commissioner Breed asked if staff was aware of the planned improvements to Jessie Street to plant trees and do major façade renovations around the San Francisco Mint area. Ms. Breed referred to the South of Market map and asked why Jessie Street between 5th and 6th Streets was not included in the proposed alleyways improvements. Ms. Breed stated that alleyway was not kept up and needed a lot of improvements.

Mr. Grisso stated that the South of Market map showed the project area boundary, which was established when the project area redevelopment plan was adopted in 1990, and that the alleyways improvements would be for Natoma and Minna Streets within the South of Market Project Area. Mr. Grisso stated that as the Commission could see, most of Jessie Street was not in the South of Market Project Area, and therefore, was not included in the proposed alleyways improvements. Mr. Grisso stated that Jessie Street was within the proposed Mid-Market Project Area.

Commissioner Breed asked if there was any way to include that portion of Jessie Street between 5th and 6th Streets in the proposed alleyways improvements, rather than waiting for possibly years, before Mid-Market gets underway. Ms. Breed stated that the Agency had done the same thing with the Blue Bridge even though it was outside of the Western Addition A-2 Project Area.

Mr. Grisso stated that staff could certainly look at including that portion of Jessie Street between 5th and 6th Streets in the proposed alleyways improvements. Mr. Grisso stated that for example, the area along Sixth Street between Stevenson and Market Streets was outside of the South of Market Project Area, but when the Sixth Street improvements were done, they were extended to include that area. Mr. Grisso stated he thought that would be the burden of proof to show a primary benefit to the project area, and staff could take a closer look to determine if that would be possible.

Commissioner Breed asked once the alleyways improvements were made, if there were any plans to regularly maintain the alleyways to keep the area sanitary and free of debris, and if there were any plans to bring in portable toilets.

Mr. Grisso stated that there were no plans to bring in portable toilets, but that there was a plan that included steam cleaning, street sweeping and graffiti removal on Sixth Street, and that once the alleyways improvements were completed, the street cleaning services could be extended to include the alleyways. Mr. Grisso stated that the primary goal for the City was to

ensure that the alleyways were easy to maintain and that eventually, property owners could do the maintenance themselves, but that for the initial two to three years, it would be appropriate for the Agency to continue the street cleaning services provided by the MJM Management Group along the Sixth Street corridor. Mr. Grisso added that with the planned alleyways improvements, it may warrant extending the street cleaning services as the South of Market had already requested that.

Commissioner Breed put forth a motion to adopt item 4 (d). Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 38-2007, AUTHORIZING A LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO IN AN AMOUNT NOT TO EXCEED \$120,000 FOR PLANNING SERVICES FOR ALLEYWAYS IMPROVEMENTS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (e)** Resolution No. 39-2007, Conditionally approving the Streetscape Schematic Design for Phase 1 of the Hunters Point Shipyard and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff), Steve Moreland (Lennar), Kevin Conger (CMG Landscape Architects)

Speakers: Brenda Henry Kittrell, Eddie Kittrell, Marcia Dale-LeWinter, Debra, Regina (no last names provided), James Bryant, Alexander Ealy, Veronica Rodriguez, Sandra Turner, Antoine Fitch, Lamont Rothschild, Gregory Williams, Rev. Arelious Walker, Marcellus Prentice, Evan Wallace, Marcus Duty, Oscar James, Minister Christopher Muhammad

Commissioner Romero stated that he was confused because the item currently before the Commission was item 4 (e) and the last 15 speakers spoke about the next items on the agenda and the Commission should stick to the matter at hand.

President Peterson stated that once one member of the public spoke on the next items related to the Hunters Point Shipyard, other members of the public were compelled to speak and that he wanted to give them the opportunity to address the Commission.

Commissioner Romero put forth a motion to adopt item 4 (c).
Commissioner Cheu seconded the motion.

Commissioner Covington asked what percentage of the plantings proposed would be native, and what percentage would be deciduous.

Mr. Kevin Conger of CMG Landscape Architects, stated that he did not know what the exact percentage of the plantings proposed would be native and deciduous, but that perhaps, 10% would be native and for the trees, about 50% would deciduous and the shrubs would all be evergreen.

Commissioner Covington stated she was asking about the plantings because it seemed that the Bay Area was entering another drought cycle and the water consumption and conservation was of concern to her, and asked what the plans were to keep the plants watered and maintained in the event of an extreme drought, and for the deciduous trees, their leaves would clog the drains in the Fall that could lead to problems like street flooding and debris.

Mr. Conger stated that the planned trees and shrubs would be adapted to the area climate and that they would require little or no irrigation after the second year of planting even during a drought. Mr. Conger stated there would be an automatic irrigation system that would be part of the overall streetscape maintenance plan. Mr. Conger stated that he wanted to clarify that deciduous trees would not necessarily drop more leaves than evergreens as the deciduous trees would drop their leaves all at once, and that the 50% ratio of deciduous trees would not be certainly more than what would be seen in other areas of San Francisco, and that deciduous trees were proposed because they would provide not only beautiful color, but also provide more light on the sidewalks during the winter months.

Commissioner Covington asked if the street lights proposed would be taller than the trees, because particularly on Innes Avenue, it looked as if there would be a dense canopy of street trees and that she wanted to make sure that the sidewalks would be safe and that trees would not block the street lights.

Mr. Conger stated that the street trees and lights would be spaced appropriately and that the street lights would be lower lights and of pedestrian scale, and when the trees matured, they would be taller than the street lights so there would not be conflict.

Commissioner Covington referred to Illustration 5.10 of the proposed Streetscape Schematic Design and noted that there appeared to be a wide spacing between the street lights along Innes Avenue compared to the other streets, and that she was concerned with public safety.

Mr. Conger stated that the street lights were laid out by an engineer that conducted photometric analysis where they looked at what the different levels of light would be on the ground areas, and the street lights had been placed using Department of Public Works light standards and code requirements and were spaced accordingly.

Commissioner Covington asked if the public works light standards were related to safety or function, because her concern was related to public safety.

Mr. Conger stated that the public works light standards were both related to safety and function to provide both pedestrian and vehicular safety.

Commissioner Covington stated she thought that the streetscape schematic design was very pleasing to the eye and lent her support for its approval.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 39-2007, CONDITIONALLY APPROVING THE STREETScape SCHEMATIC DESIGN FOR PHASE 1 OF THE HUNTERS POINT SHIPYARD AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f), (g) and (h) were presented together and acted upon separately.

- 4 (f)** Resolution No. 40-2007, Endorsing a conceptual framework to guide the City and County of San Francisco, its Redevelopment Agency, Lennar/BVHP, LLC, and Lennar Communities, Inc. in planning an integrated, mixed-use project at the Candlestick Point Area of the Bayview Hunters Point and the Hunters Point Shipyard Redevelopment Project Areas; Hunters Point Shipyard Redevelopment Project Area; Bayview Hunters Point Redevelopment Project Area
- 4 (g)** Resolution No. 41-2007, Approving a memorandum of understanding with various departments of the City and County of San Francisco to facilitate the planning for an integrated, mixed-used project at the Candlestick Point Area of the Bayview Hunters Point and the Hunters Point Shipyard Redevelopment Project Areas; Hunters Point Shipyard Redevelopment Project Area; Bayview Hunters Point Redevelopment Project Area

- 4 (h)** Resolution No. 42-2007, Authorizing the Executive Director to execute an Amended and Restated Exclusive Negotiations and Planning Agreement with Lennar/BVHP, LLC, a California limited liability company, to: 1) revise the existing negotiations agreement including its schedule of performance for the development of the remainder of the Hunters Point Shipyard; and 2) provide an option granting Lennar Communities, Inc., a California corporation, additional exclusive negotiation rights for the proposed development of an integrated mixed-use project at the Hunters Point Shipyard and on City-owned property at the Candlestick Point Area of the Bayview Hunters Point Redevelopment Project Area; Hunters Point Shipyard Redevelopment Project Area; Bayview Hunters Point Redevelopment Project Area

Presenters: Michael Cohen (MOEWD)

Speakers: Marcia Dale-LeWinter, Reiko Muranaga, Saul Bloom, Joshlyn Norman, LaRonda Smith, Al Norman, Franklin Ross, Oscar James, Archbishop King, Minister Christopher Muhammad, Angelo P. King, Rev. Arelious Walker

Commissioner Romero stated he thought that by adopting the three related items, the Commission would be able to establish a framework that could address all of the concerns raised. Mr. Romero put forth motions to adopt items 4 (f), (g) and (h).

Commissioner Cheu asked if there were any plans for supporting the nonprofit infrastructure in the Bayview Hunters Point as part of the proposed conceptual framework.

Mr. Michael Cohen, Director of the Mayor's Office of Base Reuse and Development, stated that one of the comments from the Hunters Point Shipyard CAC that was reflected in the documents was a specific acknowledgement that many of the programs included in the first phase of the Disposition and Development Agreement (DDA) should be carried forward into the next phase, recognizing that the means of delivery would get better, but that the results would need to be reflected moving forward, and that there would be the creation of real opportunities for jobs and economic development working at the business incubator and small business level and working with the existing communities, both to build capacity and for the folks who have the capacity, to make sure that they would have the priority on the proposed development. Mr. Cohen stated that one of the things that did not get a lot of mention in the first phase of development because the vertical development had not yet begun, was that about 42% of all vertical development would be done either directly or through joint ventures with local community builders, and that was a program and an opportunity that the City intends to put forward. Mr. Cohen stated that in

addition, there was a much larger citywide effort called Communities of Opportunity, which Mr. Dwayne Jones had been running out of the Mayor's Office, and that they had been very active in their discussions with Mr. Jones and others to make sure that they were integrating the opportunities at the Shipyard with City programs like City Build to ensure that people were getting the right job training for the right jobs. Mr. Cohen stated that both the Shipyard CAC and Bayview PAC have business and economic development subcommittees, so there were a lot of forums to discuss these opportunities.

Commissioner Covington stated that Mr. Cohen stated that the Exclusive Negotiations Agreement (ENA) sets forth the ground rules as it related to milestones that Lennar had to meet with the development partners, the Agency and the Board of Supervisors' approvals, and asked if the ENA delineated the level of corporate responsibility that was expected in terms of public safety and health concerns.

Mr. Cohen stated that what the ENA would do was to incorporate the conceptual framework, which was the policy document and that one of the objectives from a project like this, would both be a figurative and literal physical healing of the land, and that what would happen through Brownfields development would be to take an environmental scar in the community and transform it into things like parks and other things that would bring huge improvements. Mr. Cohen stated he believed that the principle that the proposed project with Lennar and the City's participation would have to yield real tangible benefits, including those that would make the community a better place to live environmentally.

Commissioner Covington stated that it would be helpful to have specific language in the conceptual framework policy document because there were continuing problems about the School of Islam and the school children that had been discussed in at least five Commission meetings regarding the dust control issue at the Shipyard. Ms. Covington stated that perhaps, language could be included in the ENA or another binding document that would spell out in some way, what the expectations would be as well as the consequences for failure with respect to the community's welfare. Ms. Covington stated she thought that would be helpful because the problems were ongoing with no resolution in sight and that was very unsatisfactory to the Commission.

Mr. Cohen stated that there was a provision in the ENA that if Lennar was in default under its obligations for the Phase 1 development, their exclusive negotiating rights would terminate, so the Agency and City have that condition that Lennar had to be a good partner on the Phase 1 development or they would not continue to operate in Phase 2.

Commissioner Covington asked if the unmet milestones with respect to public safety were clearly stipulated under the Phase 1 agreement.

Mr. Cohen stated that the Phase 1 DDA was quite clear on what everyone's obligations were and that at the urging of the community, the CAC and a lot of environmental advocates, one of the things included in the Phase 1 DDA that was unique was an extremely rigorous dust control plan that had all the levels of monitoring and it was interesting that sometimes the City/Agency would fall victim to the rigor of that monitoring protocol, because of the number of shutdowns that Lennar had and the number of violations, but that was a function of the fact that the project was under incredible scrutiny under Federal, State, local, public health and regulatory bodies. Mr. Cohen stated he believed that the environmental obligations of Lennar under the Phase 1 DDA, were clearly laid out both in Article 31 of the City's Administrative Code and under various sections of the DDA, and that if Lennar was found to be in default under the Phase 1 DDA, the City/Agency would have the right to terminate their exclusive negotiating rights for the Phase 2 development.

Commissioner Covington asked for more information about the lawsuit against Lennar and if the Agency was a party to the lawsuit.

Executive Director Rosen stated that the Agency was not a party to the lawsuit, and all that was known was what was reported in the newspaper, a copy of which was provided to the Commission, that two employees of Lennar sued Lennar related to their employment relationship and to her knowledge, there had been no findings or court hearings scheduled.

Commissioner Covington stated that in Mr. Cohen's deliberations with the City's leadership, it really would be helpful if Mr. Cohen could help the Commission grapple with the dust control issue and the school because it needed to be solved. Ms. Covington stated that the City needed the jobs and the school was also needed and that above all, good health was very necessary, and that she would really appreciate any productive feedback from Mr. Cohen to help the Commission come to an understanding about the issue.

Commissioner King stated that he would second Commissioner Romero's motions to adopt items 4 (f), (g) and (h). Mr. King stated that he wanted to point out that the State Occupational Safety and Health Administration (OSHA) had jurisdiction and provided training for the workers at the Shipyard in addition to the Department of Public Health to ensure the health and safety of not only the people working in the Shipyard, but also the adjacent community. Mr. King stated that there were people in the Agency including Commissioners who did not have a thorough knowledge of health and safety issues, and they should trust the authorities who are experts in

their field. Mr. King stated he thought that Lennar was doing everything it could to address the issues and that there were regulatory bodies that governed the monitoring of the dust in the Shipyard.

Commissioner Breed stated that she wanted to echo Commissioner Covington's sentiments that the second phase should move forward, but that she wanted some clarifications on what the plans were for the artists in the Shipyard, and asked how many of the artists were from the Bayview Hunters Point area.

Mr. Cohen stated that he did not know how many artists were from the Bayview Hunters Point community, but that they had been working with the artist community for some time going back to 1997 when the redevelopment plan was being formulated, that the artists would continue to be an important presence in the Shipyard. Mr. Cohen stated that they had committed to work with the artists on the planning and integration of the artists in the project, but that they had also been very clear with the artists that there would be consultation with the various community groups and that the ultimate decision and policy maker was the Redevelopment Agency Commission. The City/Agency would have to balance a lot of community needs, including the rebuilding of the Alice Griffith housing development, which was a very important public benefit that would cost a lot of money. Mr. Cohen stated that the City/Agency was committed to keeping the artists in the Shipyard, but that expectations needed to be managed in terms what costs would be involved, and that the artists recognized the need to reach out better to the surrounding community.

Commissioner Breed stated that she wanted to know how many of the artists were native residents of Bayview Hunters Point and if there were any plans to increase housing resources for the artists.

Mr. Cohen stated that he would obtain the information and provide it to the Commission. Mr. Cohen stated that what had been committed to was that as the new Shipyard was redeveloped, the existing artist population would be accommodated, and whether the artist community would grow or not would be part of the two year planning process.

Commissioner Breed asked where the existing artists would be relocated during the development stage.

Mr. Cohen stated that what was articulated in the conceptual framework was that it would be similar to the Alice Griffith situation where the project would need to be phased in a way that the artists would not be asked to leave until there was a new place for them to get into.

Commissioner Breed stated that with regard to the dust mitigation issues, she wanted an explanation about Minister Christopher Muhammad's statements that they were not informed about the recent dust control violation.

Ms. Amy Brownell of the Department of Public Health, stated that an informational memorandum was sent to the Commission that detailed the situation that occurred on April 12th. Ms. Brownell stated that in the normal course of work, Lennar had another asbestos exceedence on April 12th, and as previously explained, it takes 24 hours for the sample results to be analyzed and for the results to be received, and the results were sent via e-mail at 7:00 p.m. on Friday (April 13th) evening. Ms. Brownell stated that her commitment to the school administrators was that she would inform them about the exceedences and the shutdowns that would occur the next day. In this case, the shutdown did occur on the next day, Saturday (April 14th) as Lennar was required to do under the plan. Ms. Brownell stated that she did not receive the information about the shutdown until her return to work on the 17th and informed the school at that time.

Commissioner Breed stated she understood that there was no construction work on weekends.

Ms. Brownell stated that they sometime worked on Saturdays, and on this particular Saturday, the work was shut down, but that she informed the school as soon as she received the notice. Ms. Brownell stated she wanted to add that as previously reported, the Department of Public Health had conducted over 40 inspections of the site since the end of January 2007 and that they had not found any problems or violations in the inspections.

Commissioner Breed asked if a representative from the School of Islam could tell the Commission if there was a noticeable cloud of dust on April 12th.

Dean Muhammad stated that on April 12th, he informed the contractor that the water sprinkler system was not functioning and that it was not until 2:00 p.m. that afternoon that the sprinkler system was repaired and was operational at about 2:20 p.m.

Commissioner Breed asked if Dean Muhammad contacted the Agency or Lennar.

Dean Muhammad stated that he contacted Ghirardelli, which was who he was told to contact.

Minister Muhammad stated that he wanted to let the Commission know that the information did not come to them from the Department of Public Health, but rather from people that worked for Lennar.

Commissioner Breed asked Mr. Kofi Bonner how the Agency could move forward on the Shipyard with the continuing problems with the dust control, and that she needed some reassurance from Lennar and its plans to address this very important issue.

Mr. Kofi Bonner of Lennar, stated that obviously, this was a very difficult situation for everyone concerned, and that as mentioned earlier, the mutual Shipyard project should move forward not only with respect to the issue of jobs and economic development and affordable housing development, but also the health and welfare of the entire community. Mr. Bonner stated that they absolutely believed that they were committed to the transformation of the community to improve upon the health of the community by virtue of the removal of the contaminants that existed currently. Mr. Bonner stated that Lennar was governed by the environmental science in addition to the Department of Public Health, the Environmental Protection Agency, the Bay Area Air Quality Management District and they provided to Lennar what it could or could not do, including the levels under which they must shut down the construction activity. Mr. Bonner stated that the fact of the matter was that there was no proof given to them and that as he understood the regulations, Lennar had not done anything that could have possibly created any long term illnesses in the community. Mr. Bonner stated that Lennar was doing everything it could under the direction and guidance of the City, the Agency and the various regulatory bodies, to ramp up its controls and increase the monitoring, and that many of the things that Lennar was doing currently, were not even stipulated as necessary under Article 31. Mr. Bonner stated that he knew it was very difficult for the Commission to have to hear that Lennar was constantly doing something wrong and that it was also very difficult for him to hear that Lennar was doing something wrong.

Commissioner Breed asked if there was anything that Lennar could do differently that had not been done moving forward.

Mr. Bonner stated that as reported by Ms. Brownell, there had been over 40 inspections with no findings of violations of protocol and that clearly, Lennar had improved significantly. Mr. Bonner stated that he would guarantee that if something happened, Lennar would fix the problem as their commitment was to continue to do the right thing.

Commissioner Breed stated that she would like to see this phase of the Shipyard to commence, but that in moving forward, she would like to continue to convene meetings to get to some resolution of the dust control issue, because it was not being resolved to the satisfaction of the Nation of

Islam and the school. Ms. Breed stated that both Minister Muhammad and Mr. Bonner are well-respected individuals and that she really wanted to figure out a way to resolve the issues, and that she did not expect to hear continued problems after all that had been done to establish protocol, install additional monitors and all the other things that she and Commissioner Covington had worked so hard. Ms. Breed stated she would offer her time to help convene meetings and work toward resolving the issues.

Commissioner Romero stated he wanted to thank Mr. Bonner for his comments and that he (Mr. Romero) agreed with Mr. Bonner to the extent that Lennar was under the scrutiny of all the regulatory agencies, which had been ongoing for several months and that it was obvious that Mr. Bonner had devoted a lot of time and attention into addressing the situation, but that during the course of the past months, he (Mr. Romero) still had not yet seen any proof or evidence that anybody had actually been harmed. Mr. Romero stated that there had been a lot of allegations, but that it was important to note that the Shipyard project is a very big project with a lot of contamination for many years, and that it would be unbelievable that anyone would argue that the City and the Agency should leave the Shipyard that way, which would be worse than not cleaning it up. Mr. Romero stated that it was similar to having surgery like removing a cancer where there would be some initial pain, but that in the long run the person would certainly be better off. Mr. Romero stated that there would be a lot of people affected by the Shipyard project, and that it was important to keep the big perspective in mind. Mr. Romero stated that if anyone had been harmed, he would urge them to come forward and provide proof, and if not, the project should move forward. Mr. Romero stated he thought that Lennar, the Agency and the City had done a very responsible job in trying to address the allegations, which he thought so far, had proven to be completely baseless because he had not seen any evidence. Mr. Romero stated he would like to call the question on the motions on the floor.

Commissioner King stated that he just wanted to remind that there was a recent discussion about the Pacific Gas and Electric (PG&E) plant in the Bayview, which was finally closed down, and that a lot of people from the community had many illnesses because of the plant in addition to the sewage treatment facility in the same neighborhood, and that he wanted to point out that the health problems in the community were not just a result of the work at the Shipyard that Lennar had been doing, but that at least, Lennar was trying to address the issues the best way they could based upon the scientific procedures established by the regulatory bodies. Mr. King stated he would like to call the question on the motions on the floor.

Commissioner Romero put forth a point of order and stated that two Commissioners had called for the question, and that the Commission should vote.

Commissioner Breed stated that she wanted to make it clear that each individual Commissioner spoke for themselves, and that she wanted to go on record that the comments from her fellow Commissioner were completely out of line and rude.

Commissioner Romero stated he just wanted the Commission to vote, and that he spoke for himself and would stand by what he stated as would the other Commissioners.

Commissioner Covington stated that after the question was called, there was one Commissioner that was allowed to speak, so therefore, all Commissioners should be allowed to speak after one Commissioner was given the opportunity to speak.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 40-2007, ENDORSING A CONCEPTUAL FRAMEWORK TO GUIDE THE CITY AND COUNTY OF SAN FRANCISCO, ITS REDEVELOPMENT AGENCY, LENNAR/BVHP, LLC, AND LENNAR COMMUNITIES, INC. IN PLANNING AN INTEGRATED, MIXED-USE PROJECT AT THE CANDLESTICK POINT AREA OF THE BAYVIEW HUNTERS POINT AND THE HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 41-2007, APPROVING A MEMORANDUM OF UNDERSTANDING WITH VARIOUS DEPARTMENTS OF THE CITY AND COUNTY OF SAN FRANCISCO TO FACILITATE THE PLANNING FOR AN INTEGRATED, MIXED-USED PROJECT AT THE CANDLESTICK POINT AREA OF THE BAYVIEW HUNTERS POINT AND THE HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 42-2007, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AND PLANNING AGREEMENT WITH LENNAR/BVHP, LLC, A CALIFORNIA LIMITED LIABILITY

COMPANY, TO: 1) REVISE THE EXISTING NEGOTIATIONS AGREEMENT INCLUDING ITS SCHEDULE OF PERFORMANCE FOR THE DEVELOPMENT OF THE REMAINDER OF THE HUNTERS POINT SHIPYARD; AND 2) PROVIDE AN OPTION GRANTING LENNAR COMMUNITIES, INC., A CALIFORNIA CORPORATION, ADDITIONAL EXCLUSIVE NEGOTIATION RIGHTS FOR THE PROPOSED DEVELOPMENT OF AN INTEGRATED MIXED-USE PROJECT AT THE HUNTERS POINT SHIPYARD AND ON CITY-OWNED PROPERTY AT THE CANDLESTICK POINT AREA OF THE BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Ace Washington, Minister Christopher Muhammad, Willie B. Kennedy

7. **REPORT OF THE PRESIDENT**

- President Peterson stated that he wanted to inform his fellow Commissioners that earlier in the meeting, on agenda item 4 (e), there were some folks that had spent three hours waiting for the Shipyard items hoping to address the Commission, but that one person decided to address the Commission following item 4 (e) before the three related Shipyard items were called and presented, and other speakers decided to follow. Mr. Peterson stated that he knew what was going on, but that he allowed the speakers to speak because he felt that it was important to give them the opportunity to speak, and that he did not think that the speakers took advantage of their time. Mr. Peterson stated that it was important from time to time, to provide opportunities for the public to address the Commission especially with a meeting that could go on for hours and try and respect people's patience.
- President Peterson stated that with regard to the parliamentary procedures, he was aware that there was a motion and a second on the floor, and that the question had been called, but that he tried to give Commissioners the opportunity for some exchange in the deliberations, and in that spirit, he would sometime allow continued debate, but that he thought that was important so that each Commissioner could say what was on his or her mind before the vote was taken.

- President Peterson asked the Commission Secretary to continue canvassing the Commissioners on available dates for the Commission retreat, and to inform the President so that he could help facilitate the retreat.

8. **REPORT OF THE EXECUTIVE DIRECTOR** None.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner Breed stated that she agreed with President Peterson that members of the public should be given the opportunity to speak and address the Commission on a project or issue that affected their lives, and that the Commissioners were given the opportunity to engage in dialogues during their deliberations. Ms. Breed stated that she knew what she was getting into when she decided to be a Commissioner, that Commissioners would spend long hours in meetings listening to the public and to each other, and that the Shipyard items were to important to be easily dismissed, and that she wholeheartedly supported President Peterson's decision to allow the public testimony to be extended and his decision to allow the Commissioners to engage in debate, even if it meant staying longer because that was part of the job of a Commissioner, and that Commissioners would be doing a disservice to its constituents if they did not engage in productive dialogues as they made important decisions.
- Commissioner Romero stated that in his nine years as a Commissioner, he had not missed more than five Commission meetings and had not left a meeting early, and although he did not necessarily enjoy staying late, but that unquestionably, the need was there and so he would stay. Mr. Romero stated that his concern about the parliamentary procedures of letting people speak on an item before it was even presented was not for the Commissioners, but the people who had the patience to wait until the item on the agenda was called. Mr. Romero stated that when people spoke about an item that had not yet been presented, they would be making comments on an item they have not heard yet, and that did not make sense because their comments may changed once the item was presented. Mr. Romero stated that it was not fair to the people who do wait for the items to be called before addressing the Commission. Mr. Romero stated that the rules for parliamentary procedures evolved over a long period of time on what actually happened in public meetings, and that there were always exceptions to the rules because he was a past Commission President and had allowed people to speak over the time limit or let somebody speak out of turn once in a while, but that for the most part, the Commission should really try to follow the rules. Mr.

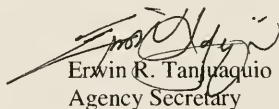
Romero stated that these were just suggestions for improvement to the President especially on difficult situations where there was a lot of emotions involved, and that was when it was important to follow the procedural rules.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Covington, seconded by Mr. Peterson, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:55 p.m.

Respectfully submitted,



Erwin R. Tanguaño
Agency Secretary

APPROVED:

June 19, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
AND

MINUTES OF A SPECIAL MEETING OF THE CITY AND
COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY
HELD ON THE 15TH DAY OF MAY 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of May 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda. Mr. Peterson requested that members of the public and press to stay within the designated public seating area behind the speakers' podium and not walk or stay in the area surrounding the Commissioners' dais. Members of the press are requested to film or record the Commission meeting from the side area of the designated public seating area (opposite the meeting room entryway), and that the filming or recording equipment should not interfere with the public's view of, and participation in, the meeting as well as presentation materials for the Commission. Mr. Peterson stated that these guidelines are in the spirit of promoting open and orderly public meetings.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

DOCUMENTS DEPT

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SAN FRANCISCO
PUBLIC LIBRARY

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.
3. **MATTERS OF UNFINISHED BUSINESS:** None.
4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of May 1, 2007

Commissioner Breed stated that in reviewing the meeting audiocassette tapes and the meeting minutes, she found inaccuracies in the minutes and would like the minutes to be thoroughly reviewed so that the minutes would reflect what was actually stated at the meeting.

Commissioner Breed put forth a motion to continue the May 1, 2007 meeting minutes until the Commission meeting of June 5, 2007.
Commissioner Romero seconded the motion.

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES, MEETING OF MAY 1, 2007, BE CONTINUED TO THE COMMISSION MEETING OF JUNE 5, 2007.

At this time, approximately 4:12 p.m., the Agency Commission recessed to consider items on the Financing Authority Agenda.

The City and County of San Francisco Redevelopment Financing Authority met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:12 p.m. on the 15th day of May 2007, at the place and date duly established for holding of such a meeting.

1. Election of Officers (calendar year 2007): Chairman, Vice-Chairman, and Board Secretary.

Commission Secretary Erwin Tanjuaquio stated that traditionally, the same officers of the Redevelopment Agency would also be elected as officers of the Financing Authority.

MR. ROMERO NOMINATED RICH PETERSON FOR THE OFFICE OF BOARD CHAIRMAN. MR. SINGH SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT RICH PETERSON AS BOARD CHAIRMAN.

MR. ROMERO NOMINATED FRANCEE COVINGTON FOR THE OFFICE OF BOARD VICE-CHAIRMAN. MS. BREED SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT FRANCEE COVINGTON AS BOARD VICE-CHAIRMAN.

MS. COVINGTON NOMINATED ERWIN R. TANJUAQUIO FOR THE OFFICE OF BOARD SECRETARY. MR. ROMERO SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT ERWIN R. TANJUAQUIO AS BOARD SECRETARY.

2. Matters of New Business:

Items 2 (a) and (b) were presented together and acted upon separately.

- 2 (a) Resolution No. 1-2007, Authorizing the issuance of the 2007 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) in an initial aggregate principal amount not to exceed \$69,600,000; approving forms of an Indenture of Trust, Loan Agreements and Official Statement; authorizing the competitive sale of the bonds, and authorizing and approving other matters properly relating thereto (Rincon Point-South Beach Redevelopment Project Area, South of Market Redevelopment Project Area, and Yerba Buena Center Redevelopment Project Area)
- 2 (b) Resolution 2-2007, Authorizing the issuance of the 2007 Series B Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects) in an amount not to exceed \$178,000,000; approving forms of Indenture of Trust, Loan Agreements and Official Statement; authorizing the competitive sale of the bonds, and authorizing and approving other matters properly relating thereto (Merged Embarcadero-Lower Market

(Golden Gateway) Redevelopment Project Area/South of Market Redevelopment Project Area/Federal Office Building Redevelopment Project Area), Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Rincon Point-South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, and Yerba Buena Center Redevelopment Project Area)

Presenters: Mario Menchini (Agency staff)

Board member Romero put forth motions to adopt items 2 (a) and (b).

Board member Covington asked staff to introduce members of the consultant team.

Mr. Mario Menchini, Senior Financial Analyst, introduced Mr. Steve Melikian of Jones Hall, Mr. Gary Kitahata of Kitahata and Company, Mr. Alex Chiu of the law firm of Alexis S. M. Chiu, and Mr. Vincent McCarley of Backstrom, McCarley and Berry.

Board member Covington seconded Board member Romero's motions to adopt items 2 (a) and (b).

Board member Singh asked what the interest rates were for the bonds, and requested verification that the Series B bonds would be tax-exempt.

Mr. Menchini stated that if the bonds were sold today, the Series B Tax Allocation Refunding Revenue Bonds would probably sell in the low 4%, at about 4.15%, and the Series A Taxable Tax Allocation Revenue Bonds would probably sell in the mid 5%. Mr. Menchini affirmed that the Series B bonds would be tax-exempt, but that the Series A bonds would be taxable because the Agency would utilize those bond proceeds to make loans, which was not an allowable use of tax-exempt bond proceeds. Mr. Menchini stated that most of the Series A bond proceeds would be used to fund the Agency's housing program.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 2 (a) RESOLUTION NO. 1-2007, AUTHORIZING THE ISSUANCE OF THE 2007 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$69,600,000; APPROVING FORMS OF AN INDENTURE OF TRUST, LOAN AGREEMENTS AND OFFICIAL STATEMENT; AUTHORIZING THE COMPETITIVE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 2 (b) RESOLUTION 2-2007, AUTHORIZING THE ISSUANCE OF THE 2007 SERIES B TAX ALLOCATION REFUNDING REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN AMOUNT NOT TO EXCEED \$178,000,000; APPROVING FORMS OF INDENTURE OF TRUST, LOAN AGREEMENTS AND OFFICIAL STATEMENT; AUTHORIZING THE COMPETITIVE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MERGED EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA/SOUTH OF MARKET REDEVELOPMENT PROJECT AREA/FEDERAL OFFICE BUILDING REDEVELOPMENT PROJECT AREA), HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA), BE ADOPTED.

- 2 (c) Resolution 3-2007, Approving amended bylaws of the City and County of San Francisco Redevelopment Financing Authority

Presenters: Mario Menchini (Agency staff)

Board member Romero put forth a motion to adopt item 2 (c). Board member Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 2 (c) RESOLUTION 3-2007, APPROVING AMENDED BYLAWS OF THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, BE ADOPTED.

3. Adjournment

It was moved by Mr. Romero, seconded by Mr. Singh, and unanimously carried that the Financing Authority meeting be adjourned. The meeting adjourned at 4:27 p.m.

The Agency Commission reconvened at 4:28 p.m. to consider the remaining Agenda

REGULAR AGENDA

- 4 (b)** Resolution No. 43-2007, Awarding contract RPSB 01-07, South Beach Bike Hut, and authorizing the execution of a construction contract with Great Wall Contractors, Inc., a California corporation, in an amount not to exceed \$75,080; Rincon Point - South Beach Redevelopment Project Area

Presenters: Kevin Masuda (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (b).
Commissioner Covington seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 43-2007, AWARDING CONTRACT RPSB 01-07, SOUTH BEACH BIKE HUT, AND AUTHORIZING THE EXECUTION OF A CONSTRUCTION CONTRACT WITH GREAT WALL CONTRACTORS, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$75,080; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (c) and (d) were presented together and acted upon separately.

- 4 (c)** Resolution No. 44-2007, Authorizing the execution of loan agreements in an aggregate principal amount of not to exceed \$69,600,000 relating to the issuance of 2007 Series A taxable tax allocation revenue bonds (San Francisco Redevelopment Projects) by the City and County of San Francisco Redevelopment Financing Authority; approving the final official statements relating to the bonds, and authorizing and approving other matters properly relating thereto (Rincon Point-South Beach Redevelopment Project Area, South of Market Redevelopment Project Area, and Yerba Buena Center Redevelopment Project Area)
- 4 (d)** Resolution No. 45-2007, Authorizing the execution of loan agreements in an aggregate principal amount of not to exceed \$178,000,000 relating to the issuance of the 2007 Series B tax allocation refunding revenue bonds (San Francisco Redevelopment Projects) by the City and County of San Francisco Redevelopment Financing Authority; approving the final official statement relating to the bonds, and authorizing and approving other matters properly relating thereto (Merged Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area/South of Market Redevelopment Project Area/Federal Office Building Redevelopment Project Area), Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Rincon Point-South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, and Yerba Buena Center Redevelopment Project Area)

Presenters: Mario Menchini (Agency staff)

Commissioner Romero put forth motions to adopt items 4 (c) and (d).
Commissioner Cheu seconded the motions.

Commissioner Covington asked if the memorandum for items 4 (c) and (d) was a précis of the loan agreements or if there was something significantly different from the memorandum for the Financing Authority bond issuance items.

Executive Director Rosen stated that the memorandum for the bond issuances under the Financing Authority, was the same memorandum for the corresponding Agency loans.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 44-2007, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$69,600,000 RELATING TO THE ISSUANCE OF 2007 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENTS RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 45-2007, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$178,000,000 RELATING TO THE ISSUANCE OF THE 2007 SERIES B TAX ALLOCATION REFUNDING REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MERGED EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA/SOUTH OF MARKET REDEVELOPMENT PROJECT AREA/FEDERAL OFFICE BUILDING REDEVELOPMENT PROJECT AREA), HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL

PARK REDEVELOPMENT PROJECT AREA, RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA), BE ADOPTED.

- 4 (e) Resolution No. 46-2007, Authorization to re-affirm authority to invest Agency funds with the Local Agency Investment Fund and related actions on behalf of the Redevelopment Agency of the City and County of San Francisco

Presenters: Mario Menchini (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (e).
Commissioner Cheu seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 46-2007, AUTHORIZATION TO RE-AFFIRM AUTHORITY TO INVEST AGENCY FUNDS WITH THE LOCAL AGENCY INVESTMENT FUND AND RELATED ACTIONS ON BEHALF OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (f) Resolution No. 47-2007, Approving the proposed budget for the fiscal year period from July 1, 2007 through June 30, 2008, that includes General Fund Loans to fund planning services in the amount of (1) \$160,000 for the Bayview Hunters Point Redevelopment Survey Area C, and (2) \$303,000 for the proposed Visitacion Valley Redevelopment Plan; and authorizing the Executive Director to submit the Budget to the Mayor's Office and to enter into amended loan agreements and promissory notes pertaining to (1) Bayview Hunters Point Redevelopment Project Area and Survey Area C and (2) the Visitacion Valley Redevelopment Survey Area

Presenters: Mario Menchini (Agency staff)

Speakers: Ace Washington, Rev. Arnold Townsend

Commissioner Romero stated he thought that this was the third time, perhaps the fourth time the budget had been before the Commission, and that there had been tremendous amount of input on the Agency's proposed budget from the public as well as reflections from Commissioners, and that he thought that the adjustments described by Mr. Mario Menchini reflected efforts by staff to accommodate the concerns brought to the Commission by members of the public and Commissioners. Mr. Romero stated he wanted to thank staff for making the adjustments and that he hoped that the budget adjustments satisfied everyone's concerns. Mr. Romero stated he thought

that the budget was fair to everyone in the City that would be affected by the Agency's activities. Mr. Romero put forth a motion to adopt item 4 (f).

Commissioner Breed stated that for the record, it was her understanding that this was the third time the budget was on the agenda and that the first time it was calendared, it was not discussed and was continued, so there was only one other meeting where the budget was discussed. Ms. Breed stated that the administration budget for the Western Addition had \$534,000 and the overall Agency administration budget was \$3.2 million, and asked why a significant amount of the administration budget was allocated to the Western Addition.

Mr. Mario Menchini, Senior Financial Analyst, stated that the administration cost was apportioned based upon direct personnel costs as reported on staff time sheets.

Commissioner Breed stated that she understood the administration costs were things like rent and supplies, and that she was not speaking about personnel costs.

Mr. Menchini stated that the administration cost was prorated across project areas based on direct personnel charges as reported on staff's time sheets, so the higher direct billable hours for a particular project area would absorb a higher portion of the Agency's entire administration cost.

Commissioner Breed stated that she still had not received the breakdown of the \$2.3 million of personnel cost spent for the Western Addition.

Mr. Menchini stated that he apologized for not getting the breakdown completed, but that he should be finished in a couple of days.

Commissioner Breed stated she noticed that in each of the project area budgets, the Western Addition budget was extremely high compared to the other project areas, in terms of personnel and administration costs and asked for an explanation.

Mr. Menchini stated that the personnel cost was based upon hours reported on staff's time sheets and if there was more staff time reported for Western Addition work, that would reflect a higher personnel cost in the Western Addition, which would then flow through a higher administration cost as well.

Commissioner Breed asked if staff attending the Western Addition Citizens' Advisory Committee (CAC) meetings was billing their hours for attending the meetings.

Mr. Menchini stated that he would presume that staff members attending the Western Addition CAC meetings were billing their hours for attending the meetings.

Commissioner Breed stated that she had heard previously that staff members attending CAC meetings were not paid and she wanted to get some clarification.

Executive Director Marcia Rosen stated that Agency staff doing Agency business must keep track of their hours, and that most professional staff were not entitled to overtime pay, but kept track of their hours and would be entitled to compensatory time off. Ms. Rosen stated that Agency staff had been directed to bill their time to the Citywide Affordable Housing budget, not to Western Addition, if they were working on affordable housing development projects in the Western Addition, and that would be the case when attending CAC meetings to present or discuss affordable housing projects.

Commissioner Breed stated that she had a serious problem with the proposed budget as it related to the Western Addition and the personnel costs charged to the project area compared to other project areas, and that she was not sure how comfortable she was in moving forward with the proposed budget. Ms. Breed stated that she would like the Fillmore Blue Bridge project to be included as part of the goals and objectives for the Western Addition and to address the matter within the coming fiscal year. Ms. Breed stated that she would also like to see the Safeway parking lot project to move more rapidly and within the coming fiscal year. Ms. Breed stated that at the previous Commission meeting, Ms. Gaynell McCurn mentioned that there was \$2,000 in reserves for the CAC, but that Mr. Menchini just mentioned that there was \$32,000 in general funds and requested clarification as to what the funds were allocated for.

Executive Director Rosen stated that she reviewed the Western Addition budget with Ms. McCurn and that the amount that was in the ongoing budget from prior years appropriations that would be available to meet specific expenses of the CAC was a total amount of \$32,000. Ms. Rosen stated that the amount was budgeted as a line item potentially available for CAC-related costs.

Commissioner Breed asked how it could be guaranteed that the \$32,000 would be earmarked for CAC-related expenses.

Executive Director Rosen stated that the funds were currently earmarked for CAC-related expenses and that would have to be changed, which would be brought to the Commission, but that there had not been identified costs that were not funded.

Commissioner Breed stated that the project description for the India Basin Industrial Park Redevelopment Project Area stated that 9,000 jobs were created as a result of redevelopment activities, and asked how many of the jobs were local.

Executive Director Rosen stated she thought that the information was previously reported and was repeated in the proposed budget. The redevelopment activities for the India Basin Industrial Park Redevelopment Project Area had been completed and the recent SB2113 Plan Amendment would generate tax increment only for the development of citywide affordable housing.

Commissioner Breed stated that she would like to know how many of the reported 9,000 jobs created in India Basin were for local Bayview Hunters Point residents.

Commissioner Breed stated she thought that the Certificate of Preference Program position should not be an Agency staff position and should go out to bid to an independent group to do outreach and locate certificate holders, and that this task should not be done in-house. Ms. Breed stated she would propose amending the budget to make it clear that this would not be an Agency staff position and to allocate money for outreach efforts to locate certificate holders.

Executive Director Rosen stated that the \$100,000 would be for outreach-related expenses that may include contractors or consultants. Ms. Rosen stated that Agency staff thought it most prudent to have the position in-house because the data base needed to be cleaned-up to maintain the accuracy of the information and the person needed to be under the direction of Agency staff. Ms. Rosen stated Agency staff believed that a person was needed to work with staff within the Agency for the administration aspect of the program and for the interaction with other governmental agencies to ensure accurate information. Ms. Rosen stated she would request some time to adequately develop a more precise proposal for the Commission's consideration about how to operate this aspect of the Certificate of Preference Program.

Commissioner Breed stated she did not think that \$100,000 would be adequate for a staff position with the fringe benefits costs associated and there would not be enough for outside contracting for outreach efforts.

Executive Director Rosen stated that the \$100,000 would be in addition to the personnel cost, because there would be a limited-term assignment for a staff with the salary and fringe benefits budgeted.

Commissioner Breed requested verification that the matter regarding the full-time Assistant Project Manager for Western Addition had been included in the proposed budget.

Executive Director Rosen stated she was proposing to appoint someone within the Agency staff that would be assigned to work as Assistant Project Manager for the Western Addition and work with Ms. Gaynell McCurn.

Commissioner Breed asked if someone else would be hired to do the job of the person assigned as Assistant Project Manager.

Executive Director Rosen stated that she was not proposing an additional staff person, but a reassignment of staff and redistribution of that staff person's work to other staff within the Development Services Division.

Commissioner Covington stated that she really wanted to commend staff for listening to her comments at the previous Commission meeting about the Certificate of Preference Program and making a full-time staff person available for the program. Ms. Covington stated that as everyone knew, the Certificate of Preference Program was near and dear to her heart and that she planned on monitoring the program closely throughout the coming year, and that it was tremendous progress to have a full-time person instead of a part-time staff. Ms. Covington stated that she also mentioned previously that the Western Addition CAC should have some parity with other CACs and PACs, and now that \$32,000 would be made available for its needs, thought that was tremendous. Ms. Covington stated that the Western Addition Assistant Project Manager, which she also requested at the last Commission meeting, was really vital and that she was happy to see that included in the budget. Ms. Covington commended staff for listening to her strong suggestions and that she thought the Agency was making tremendous progress.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 47-2007, APPROVING THE PROPOSED BUDGET FOR THE FISCAL YEAR PERIOD FROM JULY 1, 2007 THROUGH JUNE 30, 2008, THAT INCLUDES GENERAL FUND LOANS TO FUND PLANNING SERVICES IN THE AMOUNT OF (1) \$160,000 FOR THE BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA C, AND (2) \$303,000 FOR THE PROPOSED VISITACION VALLEY REDEVELOPMENT PLAN; AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE AND TO ENTER INTO AMENDED LOAN AGREEMENTS AND PROMISSORY NOTES PERTAINING TO (1) BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA AND SURVEY AREA C AND (2) THE VISITACION VALLEY REDEVELOPMENT SURVEY AREA, BE ADOPTED.

- 4 (h)** Resolution No. 48-2007, Authorizing an Amended and Restated Personal Services Contract with C.H. Elliott & Associates, a sole proprietorship, to increase the contract amount by \$90,000 for a total aggregate amount not to exceed \$150,000, and to extend the contract term for one year, resulting in an aggregate term of three years, to provide real estate and fiscal consulting services in association with the implementation of the Disposition and Development Agreement Hunters Point Shipyard Phase 1; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Dorris M. Vincent

Commissioner Singh asked if Mr. Collin Elliott had worked with the Agency before.

Ms. Nicole Franklin stated that Mr. Elliott had worked with the Agency since the inception of the Hunters Point Shipyard project, but that he was originally a member of another firm, Jones Lang LaSalle.

Commissioner Singh put forth a motion to adopt item 4 (g). Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 48-2007, AUTHORIZING AN AMENDED AND RESTATED PERSONAL SERVICES CONTRACT WITH C.H. ELLIOTT & ASSOCIATES, A SOLE PROPRIETORSHIP, TO INCREASE THE CONTRACT AMOUNT BY \$90,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$150,000, AND TO EXTEND THE CONTRACT TERM FOR ONE YEAR, RESULTING IN AN AGGREGATE TERM OF THREE YEARS, TO PROVIDE REAL ESTATE AND FISCAL CONSULTING SERVICES IN ASSOCIATION WITH THE IMPLEMENTATION OF THE DISPOSITION AND DEVELOPMENT AGREEMENT HUNTERS POINT SHIPYARD PHASE 1; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h)** Resolution No. 49-2007, Authorizing a First Amendment to the Personal Services Contract with Willie B. Kennedy, a sole proprietorship, dba W. B. Kennedy & Associates, to increase the contract amount payable under the first 1-year extension period by an amount not to exceed \$65,000, for a second-year contract amount not to exceed \$240,000 and a total aggregate contract amount not to exceed \$590,000, to provide increased administrative support, outreach and information services to the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Dorris M. Vincent, Oscar James

Commissioner Breed put forth a motion to adopt item 4 (h).

Commissioner Romero seconded the motion, and stated he thought that Ms. Willie Kennedy is a very valuable asset to the Agency at the Shipyard, and that she had been very helpful to him when he had been to the Shipyard and that he appreciated her hard work.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 49-2007, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH WILLIE B. KENNEDY, A SOLE PROPRIETORSHIP, DBA W. B. KENNEDY & ASSOCIATES, TO INCREASE THE CONTRACT AMOUNT PAYABLE UNDER THE FIRST 1-YEAR EXTENSION PERIOD BY AN AMOUNT NOT TO EXCEED \$65,000, FOR A SECOND-YEAR CONTRACT AMOUNT NOT TO EXCEED \$240,000 AND A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$590,000, TO PROVIDE INCREASED ADMINISTRATIVE SUPPORT, OUTREACH AND INFORMATION SERVICES TO THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.
6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS
 - Oscar James, Charlie Walker, Willie B. Kennedy, Ace Washington
7. REPORT OF THE PRESIDENT None.
8. REPORT OF THE EXECUTIVE DIRECTOR
 - Community workshop on Saturday May 19th from 9:00 a.m. to 1:30 p.m. at the Earl Mills Auditorium on Whitney Young Circle to discuss the planning for the investment of the Agency's share of land sales proceeds for the community benefits for the Hunters Point Shipyard. For more

information, please contact Ms. Nicole Franklin or Mr. Thor Kaslofsky of the Agency staff.

- The Board of Supervisors earlier (May 15th) approved the resolution endorsing the Conceptual Framework for Candlestick Point and Phase 2 of the Hunters Point Shipyard.
- Supervisor Sophie Maxwell (also at the May 15th Board of Supervisors' meeting) requested a hearing on the environmental issues related to the construction activities in the Hunters Point Shipyard. A date for the hearing had not yet been scheduled, but the Commission would be kept informed.
- The Agency's SB2113 Redevelopment Plan Amendment for Rincon Point – South Beach was finally approved by the Board of Supervisors at its meeting on May 8th.
- Obituary for Rev. Hamilton T. Boswell, who was a tremendous leader in San Francisco and whose funeral was earlier (May 15th) at Jones Memorial, and thought that the Commission may want to adjourn the May 15th Commission meeting in his memory.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed stated that with regard to the Agency's policies about funding street fairs and festivals, she had concerns about using Agency funds for street fairs and festivals, and although the Agency had funded festivals like the Juneteenth Festival in the Western Addition, which was funded because of displacement due to redevelopment activities, the Agency should consider adopting a policy to not fund street fairs and festivals. Ms. Breed stated that such policy should be considered by the Commission in the near future before the Agency was inundated with funding requests for street fairs and festivals from other project areas.
- Commissioner Breed stated that she was often asked about employment opportunities in the Agency given the high unemployment rate in the Bayview Hunters Point, and that it did not make sense to her that the Agency touted the creation of jobs all over the City, but yet, there were so many people unemployed within the Agency's project areas. Ms. Breed stated that for a lot of the project areas, it was said that the Agency created jobs for the residents of the project areas, so she would like to know specifically, a breakdown of exactly where the residents came from, the total number of jobs created, what was local and not. Ms. Breed stated she recalled that at the last Commission meeting, there

was a lot of public testimony about availing of job opportunities as a result of the Shipyard project, but that people should not have to wait for the Shipyard project in order to have job opportunities. Ms. Breed stated she thought that the job opportunities provided should be citywide and people should be able to take advantage of the employment training programs and be gainfully employed as a result. Ms. Breed stated that she would like to have a breakdown of what jobs redevelopment had created.

- Commissioner Breed stated that with regard to the Agency's Certificate of Preference Program, which was suggested to be reviewed by the Bayview Hunters Point PAC and the Western Addition CAC, she would like to see the matter calendared in an upcoming Commission meeting to discuss possible amendments to the program in order to provide an opportunity to generate more certificate holders that could benefit from the program. Ms. Breed stated she did not think the Agency should wait until the dedicated staff person was assigned, because additional funds had been allocated and the Agency should be prepared to move forward with improving the program. Ms. Breed stated she thought that the Agency should be thinking about the effects of redevelopment on the Western Addition and to understand that although the Agency's Certificate of Preference Program was unique and more generous compared to other cities in California, the program just did not do enough, because in the case of the Western Addition, people had been waiting for over 40 years, and generations of people should be able to benefit from the program, the same way that Commissioner Covington had previously suggested where houses were passed down from generation to generation.
- Commissioner Breed stated that the Agency Commission should consider developing a strategic plan for the Agency in order to set goals for the Agency, because at the present, the Agency's goals seemed to be established by staff, and since the Commission had not done a performance evaluation of the Executive Director, it was not necessarily clear to her that the Agency was being led by the Commission, and thought that it was important for the Commission to determine the direction taken by the Agency. Ms. Breed stated that in addition, the Commission needed to make sure that it was clear that the Commission Secretary was directly responsible to the Commission. Ms. Breed stated that the Executive Director's performance evaluation, the Agency's strategic planning and the Commission Secretary's responsibility to the Commission would be items of serious discussion with ample time allotted at the retreat.

- President Peterson asked Commission Secretary Erwin Tanjuaquio about Commissioners' responses to scheduling the Commission retreat.
- Commission Secretary Tanjuaquio stated that he had heard from all Commissioners except three, Commissioners Breed, King and Singh, but that he was expecting to hear from them soon.
- Commissioner Covington stated that when the Commission first discussed the Certificate of Preference Program about a month ago, she had suggested updating and revamping the program as needed, and that Commissioner Breed suggested that the Western Addition CAC and Bayview Hunters Point PAC have the opportunity to review the program and its scope and be brought back to the Commission. Ms. Covington requested clarification from Commissioner Breed as to how the Commission could expedite the process of amending certain elements of the program.
- Commissioner Breed stated that she would suggest a Commission workshop to provide opportunity for public input in order to move the process forward and for the Commission to provide directions. Ms. Breed stated that the Certificate of Preference Program had been discussed sometime ago and in the interest of time, the process needed to move forward, and since the Western Addition CAC and the Bayview Hunters Point PAC thus far, had not met to discuss the program, and the Western Addition CAC had no plans of meeting in the near future, thought that the Commission should move forward and receive input and recommendations.
- Commissioner Covington stated that she concurred with Commissioner Breed's suggestion to conduct a Commission workshop on the Certificate of Preference Program.
- Commissioner Covington stated that it was a pleasure to attend the Agency staff's Cinco de Mayo luncheon where the food was good and the company was great.
- Commissioner Covington stated that she was very proud of the Agency's work in the Yerba Buena Gardens, and that she attended the opening of the Yerba Buena Gardens Festival, which featured the Marcus Shelby Jazz Orchestra and their wonderful work in progress, Harriett Tubman Bound for the Promiseland, and there was a wonderful array of fantastic local talent, including Marcus Shelby's parents who were thrilled to be at the world premiere event.

- Commissioner Covington stated that she wanted to encourage the radio-listening audience to spread the word about the Agency's limited-equity homeownership program with a number of open houses being held in different parts of the City for a wide range of income brackets for affordable housing. Ms. Covington stated she would really encourage people to visit the Agency's website, www.sfraaffordablehousing.org to avail of affordable housing opportunities. Ms. Covington stated the Agency in the last two weeks, had a studio apartment at One Federal Street, which was a sizable studio of 838 square feet, with a maximum income of \$60,000 per year for one person, and the required down payment was less than \$10,000. Ms. Covington stated there was also a home at 12 Garnett Terrace that was a two-bedroom condominium with an affordable purchase price of \$201,000, and another one at 49 Bauman Court, a two-bedroom condominium with an affordable purchase price of \$270,000. Ms. Covington stated that this was the kind of work that the Agency was doing and that Certificate of Preference holders receive first priority, so she would encourage people to visit the Agency's website, call the office and if people thought they were eligible for the Certificate of Preference Program, to call Ms. Gwen Sebay of the Agency staff at (415) 749-2478.
- Commissioner Romero stated that he had expressed the view that the Commission had conducted retreats before and that they seem to not do any good, but that he was happy to participate, and when Commission Secretary Tanjuaquio requested Commissioners' available dates, he (Mr. Romero) provided his available dates. Mr. Romero stated he would urge his fellow Commissioners who had not yet provided available dates, to do so as soon as they could, because he knew that everyone had busy schedules.
- Commissioner Romero stated that he wanted to go on record that he always voted his own judgment and not vote for what staff wanted, and that Agency staff was not leading the Agency and it is the Commission leading the Agency, because the Commission is the decision-making body and if it seemed like the staff was the leader as opposed to the Commission, then the Agency was really dysfunctional and a retreat was desperately necessary, because even the suggestion that the Commission was not leading the Agency, was disrespectful to all of the Commissioners. Mr. Romero stated he knew that it was not intended that way, but that everyone needed to be reminded that there were very serious issues facing the Commission, and that he wanted to go on record that he would never rubber stamp anyone.
- President Peterson stated that with regard to scheduling the retreat, he believed that the dates for the month of June were no longer available and that the retreat would likely be scheduled in July.

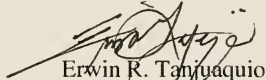
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

11. ADJOURNMENT

It was moved by Ms. Covington, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:42 p.m.

Respectfully submitted,


Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

June 19, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
5TH DAY OF JUNE 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of June 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:03 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Leroy King
Ramon E. Romero
Darshan Singh

DOCUMENTS DEPT.

And the following were absent:

JUN 22 2007

Linda Cheu

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Resolution No. 50-2007, Authorizing a First Amendment to the Personal Services Contract with New City America, Inc., a California corporation, to extend the contract term from June 7, 2007 to December 31, 2008, in connection with establishing a Community Benefit District in Japantown; Western Addition Redevelopment Project Area A-2
- 4 (b) Resolution No. 51-2007, Authorizing renewal of the Microsoft Enterprise Agreement through DELL, Inc. at a cost not to exceed \$65,000 over three years

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a), RESOLUTION NO. 50-2007, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH NEW CITY AMERICA, INC., A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM FROM JUNE 7, 2007 TO DECEMBER 31, 2008, IN CONNECTION WITH ESTABLISHING A COMMUNITY BENEFIT DISTRICT IN JAPANTOWN; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND 4 (b) RESOLUTION NO. 51-2007, AUTHORIZING RENEWAL OF THE MICROSOFT ENTERPRISE AGREEMENT THROUGH DELL, INC. AT A COST NOT TO EXCEED \$65,000 OVER THREE YEARS, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 52-2007, Authorizing a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$285,000, for homeowner assistance and housing development activities; Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff)

Speakers: Regina Davis, Ed Donaldson, Julian Davis, Rev. Arnold Townsend

Commissioner Breed stated that the San Francisco Housing and Development Corporation (SFHDC) was a real good example of an organization that reaches out and works with folks step by step to ensure that they understood all of the details of the complex affordable housing opportunities. Ms. Breed stated that she wanted to especially thank Mr. Ed Donaldson for his support for numerous friends and people she had referred, and that she whole-heartedly supported the organization and its work. Ms. Breed stated she thought that the Agency should explore possible revisions to the homeowner assistance program and hoped that SFHDC would step up to the plate and make some recommendations as to how the Agency could make the program more user friendly in the future. Ms. Breed put forth a motion to adopt item 4 (c).

Commissioner Covington seconded Commissioner Breed's motion to adopt item 4 (c).

Commissioner Romero stated that he had always support the SFHDC and its work and that he intended to vote for the contract, but that he would caution everyone about rhetoric that went over the line and to say that there was ethnic cleansing here in San Francisco really detracted from the true facts. Mr. Romero stated that ethnic cleansing happened in places like Yugoslavia and Nazi Germany where hundreds of thousands of people were exterminated and that did not happen here in San Francisco, and thought that was an overstatement. Mr. Romero stated that as a person who studied at the International Institute of Human Rights, he thought the statement went a little too far. Mr. Romero stated that he would vote for the contract and that he knew of the good work that the SFHDC did regardless of the rhetoric.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MS. CHEU ABSENT), THAT ITEM 4 (c) RESOLUTION NO. 52-2007, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$285,000, FOR HOMEOWNER ASSISTANCE AND HOUSING DEVELOPMENT ACTIVITIES; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (d) Workshop on possible amendments to the Certificate of Preference Program

Presenters: Olson Lee (Agency staff)

Speakers: Bob Hamaguchi, Rev. Arnold Townsend, Ed Donaldson, Joe Clay, Dorothy Clay, Regina Davis, Dorris M. Vincent, Espanola Jackson, Ace Washington, Bobbie Webb

Commissioner Covington stated that the Agency's Certificate of Preference Program was near and dear to her heart and that she wanted to thank Supervisor Mirkarimi for bringing the matter to the attention of the Board of Supervisors. Ms. Covington stated that Mr. Olson Lee's presentation was very good and was very telling because she was taken aback by the figures of people that the Agency had lost contact with, that she brought the matter before the Commission and that this was the third time the program had been before the Commission and would at least come back to the Commission when it would consider the proposed amendments to the program. Ms. Covington stated that this was a very important matter to her because it had taken over 50 years for people to have some options to use the Certificate of Preference, and the homes of people were taken, but the Agency had a misguided notion at that time where the emphasis was placed on building rental housing, which was not what people wanted because they wanted to continue homeownership or have new opportunities for homeownership. Ms. Covington stated that the Agency was a point where the few remaining parcels would be developed and people would have the opportunity to have affordable housing. Ms. Covington stated that she was happy to see the suggested amendments and that there were a lot of good ideas that Agency staff had been working on and that she appreciated their efforts. Ms. Covington referred to slide number 22, Current Program Administration where originally, the head of household was the eligible member and in 1998, the program was modified to include all occupants listed on the Site Occupant Records (SORs). Ms. Covington asked how much of an increase in numbers was generated by expanding the pool of eligibility.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that the SORs had a list of individuals who were either part of the family and others who were not, and the Agency did not have an accounting of every single individual who was listed on the SOR. Mr. Lee stated that the Agency knew from third party data that 62% of the people displaced from the Western Addition were single individuals and 38% were families. Mr. Lee stated that at the time the program was amended, Agency staff assumed that the number of eligible individuals would increase by a factor of four to five times, which was incorrect because the Agency assumed that there were five members in each household, which would mean that the 5,000 displaced homes would generate 25,000 individuals, theoretically. Mr. Lee stated that the number was actually lower, but that the Agency did not have any way of calculating that number without going to the original SOR cards.

Commissioner Covington asked if the Agency still had the original SOR cards.

Mr. Lee stated that the Agency still had the original SOR cards.

Commissioner Covington asked Mr. Lee to detail the Agency's outreach efforts the last time it attempted to contact certificate holders.

Mr. Lee stated that in 1999, the Agency placed ads in various community, local and regional newspapers and leafleted all of the affordable housing developments in the Western Addition and Bayview Hunters Point, informing about the Certificate of Preference Program. Mr. Lee stated that the Agency also contacted local social service organizations and churches to spread the word and ask if people knew of certificate holders.

Commissioner Covington stated that it was a good idea to establish a down payment assistance program and asked how staff arrived at the \$1 million figure, because she thought that it may be under-funded.

Mr. Lee stated that staff believed that the \$1 million figure was a substantial amount and would be a starting point to see how much demand there would be for the program, and that if there was demand for more than the initial \$1 million, staff would bring that to the Commission's attention.

Commissioner Covington referred to slide number 28, which stated that "For all certificate holders a certificate is exercised upon success in leasing a rental, purchase of a cooperative share, or purchase of an Agency assisted home," and asked if certificate holders could move from rental housing to homeownership housing.

Mr. Lee stated that the original program structured in a way where individuals were able to exercise the certificate only once, but that the program was amended to allow individuals to improve their housing condition by either moving up to a cooperative or into homeownership housing.

Commissioner Covington stated that was great and that it would be helpful to a lot of people if they knew that was an option. Ms. Covington requested verification that the proposed independent hearing officer would be part of the City's Rent Board.

Mr. Lee stated that the Agency would contract with the City's Rent Board, and the hearing officers would be assigned to hear matters regarding eligibility for the Certificate of Preference Program. Mr. Lee stated that the Rent Board, which conducted rent arbitration hearings, also provide administrative judges to assist other City departments to arbitrate disputes.

Commissioner Covington stated she thought that staff had made a good beginning, but that she had mentioned in the past that if a person could inherit real estate and the certificates represented a form of real estate, the children should be able to inherit the certificates whether or not the parents

bought the house before the children were born or after. Ms. Covington stated that it concerned her that people were forced out of the Western Addition while families may have been young and maybe had only one child at that time, but had four or five children subsequently. Those children would have ordinarily been the beneficiaries of whatever property the parents owned, and therefore, should be the beneficiaries of whatever changes would be made to the Certificate of Preference Program. Ms. Covington stated she felt that she should be able to come to the Agency with her birth certificate, which would indicate the names of her mother and father who are certificate holders, even if she was not in the household at that time, because she is their child and that she could prove it. Ms. Covington stated that this was something she would like the Agency to look at, and since it had taken the Agency so long, it should investigate the feasibility of extending the eligibility to grandchildren to allow inheritance of certificates or the ability to obtain their own certificates, because there should be a direct link from the grandparents to the grandchildren. Ms. Covington stated that the secrecy surrounding the list of certificate holders was a puzzle to her, because the State had just been sued for its "check vault" program, where people moved and forgot they had bank accounts and years later, the State would come and take the money because it was considered abandoned, but if people could actually go online and check the "vault" for the State, then people could check to see if they were certificate holders. Ms. Covington stated that the Agency should figure out how to get in touch with the 3,000 people it had lost contact with. Ms. Covington stated that increasing the certificate validity to 10 years was a good start, but that she would like to see the certificate validity increased to maybe 25 years, because the list had been dormant for many years. Ms. Covington stated that she would like the Agency to issue a Request for Proposals (RFP) for extensive outreach to find the families that would include advertising, talks on KPOO radio, and a photocopy of an actual certificate as suggested by Mr. Ace Washington, so that people would know what the certificate looked like. Ms. Covington stated that she had already mentioned that she would like the amount of the down payment increased, and that although it was a good idea to have independent hearing officers, she would still suggest an ombudsman to interface between certificate holders and the Agency, and that the ombudsman would serve as additional eyes and ears at the Rent Board, should the Agency utilize its services. Ms. Covington urged Mr. Bobbie Webb to see or call Mr. Olson Lee with questions about the program.

Commissioner Singh stated that he agreed with Commissioner Covington's remarks about making the list of certificate holders public and asked what was meant by cancelled certificates.

Mr. Lee stated that certificates were cancelled upon the death of the holder or if there was a duplication.

Commissioner Singh asked if the certificates could be transferred to the children and grandchildren of the certificate holders.

Mr. Lee stated that would be part of an action that the Commission could consider in amending the Certificate of Preference Program.

Commissioner Breed stated that she agreed with Commissioner Covington's suggestions and that she was happy to see the proposed amendments to the program made by Mr. Lee. Ms. Breed stated it appeared that certificate holders had access to only low-income housing developments within project areas as they would be low- and moderate-income households, and requested verification that certificate holders would not have priority for market-rate housing developments.

Mr. Lee stated that the Agency had applied preferential marketing for certain market-rate housing units and that it depended upon the specific agreement for a certain development, but that certain agreements with developers required them to do pre-marketing notice for all certificate holders regardless of their income qualifications, so that if there was a market-rate certificate holder, they would get advanced notice.

Commissioner Breed stated that the policy seemed to be redundant because on one hand, the policy states that a person would have to be low- and moderate-income, and on the other hand, it quoted the California State Redevelopment Law, which state that the Agency could not discriminate against anyone based on their income.

Mr. Lee stated that the Redevelopment Law permitted the Agency to provide preferences to low-income people as part of the redevelopment plan, and that the Agency could not discriminate against low-income people, because they would be the people with less resources to avail themselves of market-rate housing opportunities, so the State legislature had permitted low-income people as a targeted group.

Commissioner Breed requested verification that certificate holders, if they were qualified, would have preference for housing units, whether or not the units were low-income or market-rate.

Mr. Lee stated that would depend on the source of financing for the housing units, and if the units were financed with tax increment or the Citywide Affordable Housing Program funds, then the units would be limited to people who were income eligible, and the Commission had determined that the eligibility for homeownership units under the Agency's limited equity program, the maximum income would be 100% of the area median income, so if the certificate holders' incomes were below that, they would qualify for

the housing. Mr. Lee stated that he wanted to clarify that the only lottery that certificate holders would have to be in was their own lottery among themselves and not with non certificate holders.

Commissioner Breed asked if it would be possible for an average income earner to utilize their certificate for the market rate units at the Fillmore Heritage project as an example.

Mr. Lee stated that for the Fillmore Heritage project, the Owner Participation Agreement provided for advance notice of the opportunity and so certain certificate holders would qualify.

Commissioner Breed stated she had concerns that there were limitations on housing opportunities for certificate holders regardless of their incomes.

Mr. Lee stated that would be true especially for developments assisted with low- and moderate-income funds.

Commissioner Breed stated that was her concern, because she believed that for developments where the Agency was involved, certificate holders should be able to exercise the use of their certificates regardless of their incomes. Ms. Breed stated she understood that the Certificate of Preference Program would not apply to private market-rate developments such as the one on Buchanan and Eddy Streets.

Mr. Lee stated that the project at Buchanan and Eddy Streets included some below market-rate units, so the Certificate of Preference Program would apply, for the low-income units.

Commissioner Breed asked if the Certificate of Preference Program included businesses and if they had to fall into the low-income category.

Mr. Lee stated that there was not an income requirement for displaced business, but that the difference between the residential and business certificate program was that there were greater opportunities for residential than the businesses.

Commissioner Breed stated that she agreed with Commissioner Covington's recommendations on the outreach efforts and that she wanted to add that public service announcements could be done on Channel 26 in between the Board of Supervisors' televised public hearings. Ms. Breed stated that she would also like to see grandchildren added to eligibility list and hopefully, there would be recommendations to the Commission as it considered amendments to the program. Ms. Breed stated that the forward calendar provided to the Commission indicated that the Commission would consider amendments to the program at its June 19th Commission meeting, but that

additional time may be necessary before the Commission could act on amendments because she thought that there should be input from Supervisors Mirkarimi who was in the midst of budget hearings and he was the one who called for the initial public hearing about the Agency's Certificate of Preference Program. Ms. Breed stated she did not think it would be fair to the Supervisor to rush the amendments to the program and that she really appreciated the hard work of staff, and looked forward to seeing an overview of the proposed amendments before the Commission considered action.

Commissioner Romero requested verification that an individual would have had to be displaced by the Agency and that the property would have been purchased by the Agency in order to qualify for the Certificate of Preference Program. Mr. Romero asked if the properties were acquired by eminent domain or voluntary purchase agreements.

Mr. Lee stated that the property would have had to be purchased by the Agency and directly displaced by the Agency in order to qualify for the Certificate of Preference Program. Mr. Lee stated that acquisitions were likely to have been a mixture of both eminent domain and voluntary purchases.

Commissioner Romero asked when the most recent certificate was issued by the Agency.

Mr. Lee stated that since the program was amended in 1998, the Agency would have issued a certificate as recent as in the last month, for a Residential C certificate, which was any individual listed on the SOR and not a Residential A certificate, which would be the listed head of household.

Commissioner Romero stated he assumed that a certificate was a piece of paper and if a holder lost their certificate, they would still be on the Agency's list and they did not have to present the certificate and they could prove their identity, they would still be eligible.

Mr. Lee stated that was correct and that the list of certificate holders was maintained by the Agency.

Commissioner Romero asked what the process was for notifying certificate holders to keep the Agency informed of address changes and what staff did to maintain an up to date list.

Mr. Lee stated that staff tried to follow-up with certificate holders to keep their contact information up to date and staff worked very hard to update the information about the program on the Agency's website and had recently created a dedicated link on the website about the program to keep people

informed. Mr. Lee stated that the planned expanded outreach efforts including the recent public hearings about the program provided notice and advertisements about the program and to make the program more widely known. Mr. Lee stated that staff was hopeful that the proposed amendments to the program and the additional outreach in the coming fiscal year would provide more exposure about the program and generate more certificate holders.

Commissioner Romero asked when the earliest certificates were issued.

Mr. Lee stated that the earliest certificates were issued probably in the late 1960s, and that some of those had not been exercised.

Commissioner Romero stated that he had no problem with adding grandchildren to the eligibility list and thought that made sense because someone who had not exercised the certificate for over 20 years may want their children or grandchildren to avail of the housing opportunity. Mr. Romero asked how the Agency would find grandchildren of original certificate holders when it could not find the children.

Mr. Lee stated that was one of the key issues about expanding the outreach efforts while expanding the eligibility to children and possibly, grandchildren.

Commissioner Romero stated that with regard to the outreach efforts, there were many companies that specialized in searching for missing people, including those used by financial institutions, and that might be more useful than just leafleting or even advertisements in newspapers. Mr. Romero stated that may be cost prohibitive and asked if there was money in the Agency's budget to do that.

Mr. Lee stated that staff had looked at the possible use of internet-based search and spoke with a consultant who had a lot of good tips as to how that could be done. Mr. Lee stated that there was money included in the Agency's proposed budget for fiscal year 2007-2008 to conduct the expanded outreach to certificate holders.

Mr. Romero thanked staff for the good suggestions on possible amendments to the program for the Commission to consider.

Commissioner King stated that staff had good suggestions on improving the Certificate of Preference Program and asked if the Agency had been offering housing opportunities to certificate holders.

Mr. Lee stated that for every new housing development, the Agency did mailings to inform everyone including certificate holders about the housing opportunity and staff continued to update the Agency's mailing list to ensure that there was as much notice to as many people as possible.

Commissioner King asked if the Agency notified housing developments like Loren Miller, Freedom West and Martin Luther King, Jr. about the Certificate of Preference Program.

Mr. Lee stated that all of these housing developments had the Certificate of Preference obligations, but that he would need to verify that the specific Owner Participation or Land Disposition agreements were still in effect and would let the Commission know.

- 4 (e) Resolution No. 53-2007, Public hearing and Determining that a formula retail use proposed by 99¢ Only Stores for 1336 Post Street is consistent with the Western Addition A-2 Redevelopment Plan, as implemented by the Agency's Formula Retail Policy; Western Addition Redevelopment Project Area A-2

Presenters: Alicia Bert (Agency staff)

Speakers: Rev. Arnold Townsend, Tania Burcham, Geraldine Pulsifer, Clifton Reeves, Fred Nabi, Gus Harput, Jerome Berg, Jeff Wong, Ace Washington, Susan Colton

Commissioner Breed stated that she walked past the area almost everyday and that she noticed homeless people along Gough Street and also a security guard on the property and assumed that was because the store was closed and the property was vacant. Ms. Breed stated that based upon her knowledge of the neighborhood and the area in general, she did not think this was the right store for the neighborhood and that the property was not the right space for a retail use unless it was a smaller store. Ms. Breed stated that there is a Walgreen's Drug Store around the corner and that she noticed a lot of cars driving along Franklin going into that parking lot, which created a lot of traffic. Ms. Breed stated that she used to go to the Cala Food Store when it was at the property and that it was difficult to find parking. Ms. Breed stated that another use should be explored for the space and thought that a 99¢ Only Store or any other large operation would not be appropriate for that area, because a lot of seniors live in the area as well as office workers from Cathedral Hill and that the area should keep its quiet and peaceful surroundings. Ms. Breed stated she thought that any large store in that area would take away from the business on Fillmore Street, which had a lot of small business and restaurants that should be patronized. Ms. Breed stated she understood the concept of job creation, but that often times, when developers or business operators made commitments to create

jobs in the community, local residents did not benefit from those promised jobs, and that the only business that made good on local hiring commitment was Powell's restaurant while other businesses did not. Ms. Breed stated she just did not think it was a good idea and that the proposed use did not fit the neighborhood, and that the proposed use should be reviewed and considered by the folks that live there, the Western Addition CAC and Japantown Task Force and a reasonable recommendation for a retail use should be brought to the Commission for its consideration.

Commissioner King stated that the proposed use should be referred back to the Western Addition CAC for its review. Mr. King stated that he lives one block away from the property and that he did not see a lot of people from the community at the Commission meeting, so the matter should be reviewed by the CAC.

Commissioner Singh asked where another 99¢ Only Store was located and how many parking spaces were at 1336 Post Street.

Mr. Wil Judy of 99¢ Only Stores, stated that the closest 99¢ Only Store was in San Leandro. Mr. Judy stated that there would be 68 parking spaces at 1336 Post Street.

Commissioner Singh requested verification that there would be 50 jobs for the proposed store, and stated that Commissioner Breed was correct when she stated that most developers or businesses would make commitments to hire locally, but that local residents did not really benefit.

Mr. Judy stated that they hired all of their employees from the neighborhoods they operated in, because it did not make sense to import employees for their business.

Commissioner Singh asked if 99¢ Only Store would provide its own security.

Mr. Judy stated they would have their own internal loss-prevention security and that they would evaluate the security situation as needed and that they required their stores to be a safe shopping environment for their customers and employees, and that if security was necessary, they would provide uniformed security officers at the store.

Commissioner Singh stated he thought that he agreed with Commissioner King that the matter should be sent to the Western Addition CAC for its review and recommendation to the Commission.

Commissioner Romero stated he thought that the Commission should let the matter die by no one making a motion to adopt the proposed resolution, because based on the information provided to the Commission, it was being asked to determine as a matter of policy that the 99¢ Only Store satisfied the purposes of the redevelopment plan and the exact standard that the Commission should look at was whether the proposed use would promote a satisfying and urban living environment that would preserve and enhance the unique social, cultural and aesthetic qualities of the City. Mr. Romero stated he thought that the proposed use did not meet that standard, and although he wished 99¢ Only Store the best, he did not think this was the appropriate location and did not think that the store would be appropriate for the City, let alone the Western Addition neighborhood. Mr. Romero stated that without a motion to adopt, the matter would simply die.

President Peterson asked what constituted the majority of the sales for 99¢ Only Store. Mr. Peterson stated that one of issues brought up was the signage and color of the store's exterior and the awning and asked how the store would work with the homeowners at the Sutterfield homes.

Mr. Judy stated that 60% of their sales represented food items, another 20% for household goods, 10% for party supplies and 10% for consumable goods like junk food, soda and water. Mr. Judy stated that with all of their stores, they would comply with the local zoning for the approval of their signage and color schemes and that not every store at every location was the same, and that in the case of 1336 Post Street, they would comply with the City's sign ordinance as well as the homeowners' association guidelines.

President Peterson asked if the homeowners' association's Covenants, Conditions and Restrictions covered signage and color. (The response from the audience was inaudible.)

President Peterson asked if 99¢ Only Store sold liquor and cigarettes.

Mr. Judy stated that they would not sell liquor at the 1336 Post Street location, because they heard loud and clear from the community that was not desired, and that they would not be selling cigarettes either.

President Peterson stated he thought this was a tough location and that he was sensitive to the concerns of the residents of Sutterfield and that he was familiar with the location because he had shopped there before and when he used to have a food company, they used to do food demonstrations at the location. Mr. Peterson stated that to be fair, for the people who purchased originally at the Sutterfield, there was a grocery store at the location and so he was not sure what the residents were expecting when they purchase homes above a grocery store. Mr. Peterson stated he thought it was a tough location and that the Agency was a bit challenged because it had a 32,000

square foot space and thought that everybody would agree that something needed to go into the space, but that he was sensitive with regard to the determination of consistency with the redevelopment plan, and believed that there were serious issues with the proposed retail use. Mr. Peterson stated that for all of the people who came to voice their concerns, to keep in mind that some retail use would have to go into the space, and that he thought that the area could use some other affordable grocery options.

Commissioner Covington stated that Commissioners King and Singh had suggested that the matter be sent to the Western Addition CAC for its review, and asked if the CAC had been meeting on a regular basis.

Ms. Alicia Bert, Assistant Project Manager, stated that the next CAC meeting was scheduled for June 14th, but that she understood that the CAC had not been meeting on a regular basis.

Ms. Gaynell McCurn, Project Manager, stated that the CAC did hold a special meeting on May 24th, which was not its regular meeting. Ms. McCurn stated she believed that the CAC met three times in the month of April and that one of those meetings was a special meeting to discuss the Muni substation. Ms. McCurn stated that the CAC normally met on a monthly basis, and the two sub-committees of the CAC (Budget and Finance and Planning and Development sub-committees) normally met twice a month. Ms. McCurn stated she thought that the CAC was back to meeting on a regular basis.

Commissioner Covington stated that she wanted to make sure that if the matter was sent to the CAC that it was meeting on a regular basis.

Commissioner Singh put forth a motion to continue the matter for one month.

Commissioner King seconded the motion.

Commissioner Romero stated that he did not understand the reason to continue the matter and asked what the purpose of the motion to continue was. Mr. Romero stated that if the matter was continued, it would come back before the Commission at a later date for its consideration and vote.

Commissioner Singh stated that his motion to continue would allow for additional time so that the Western Addition CAC could review and make a recommendation to the Commission.

Commissioner Romero stated that he would vote against the motion to continue and that the matter should die without a motion to adopt. Mr. Romero stated he thought that the Commission should not reconsider 99¢ Only Store going into the 1336 Post Street location.

Commissioner Singh stated that he was not sure what could go into the 30,000 square foot space and asked how long the space had been vacant.

Ms. Bert stated that the space had been vacant for almost one year.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, THAT ITEM 4 (e) RESOLUTION NO. 53-2007, PUBLIC HEARING AND DETERMINING THAT A FORMULA RETAIL USE PROPOSED BY 99¢ ONLY STORES FOR 1336 POST STREET IS CONSISTENT WITH THE WESTERN ADDITION A-2 REDEVELOPMENT PLAN, AS IMPLEMENTED BY THE AGENCY'S FORMULA RETAIL POLICY; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE CONTINUED FOR ONE MONTH, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Singh

AND THE FOLLOWING VOTED "NAY":

Ms. Breed
Ms. Covington
Mr. Romero
Mr. Peterson

AND THE FOLLOWING WERE ABSENT:

Ms. Cheu

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES, FOUR (4) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION TO CONTINUE ITEM 4 (e) FAILED.

President Peterson stated that he still had not heard a motion to adopt item 4 (e).

Commissioner Romero stated he did not think a motion to adopt was needed, but that if it was necessary to make a motion to deny the item, he would do so.

President Peterson stated that he was giving Commissioners the opportunity to make a motion to adopt item 4 (e) and hearing no such motion, the matter died.

General Counsel Morales stated he believed that it would be preferable although it was clear that it would be the Commission's prerogative to have an affirmative vote one way or the other, so that the project would not be in limbo, and that there would be a final decision.

Commissioner Romero put forth a motion to disapprove finding that the 99¢ Only Store is consistent with the Agency's formula retail policy.

Commissioner Covington raised a point of order and stated that if there was not a motion to approve the project, and no second, the matter would die. Ms. Covington stated that the Commission did not have to vote on the proposed project pursuant to Robert's Rules of Order. Ms. Covington asked if Commissioner Romero would withdraw his motion to disapprove.

Commissioner Romero stated that he listened to the General Counsel that it would be a clearer statement if the Commission would vote to disapprove rather than letting the matter die without a motion to adopt.

Commissioner Covington stated that she understood why Commissioner Romero made his motion, but that she disagreed with General Counsel because it was proper parliamentary procedure under Robert's Rules of Order, that without a motion to adopt, the matter would die.

President Peterson stated that he concurred and that without a motion to adopt, the matter died.

NOTE: The Commission did not vote on item 4 (e).

- 4 (f) Resolution No. 54-2007, Authorizing the Executive Director to negotiate and enter into a personal services contract with EIP / PBSJ Associates to prepare an Environmental Impact Report for the combined Hunters Point Shipyard / Candlestick development project and redevelopment plan amendments, including Bayview Hunters Point Area C, for an amount not to exceed \$700,000; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas

Presenters: Stan Muraoka (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (f).
Commissioner Singh seconded the motion.

Commissioner Covington stated that she was particularly happy to hear about the three interns that would work on the project, and that she would encourage the consultant, EIP/PBSJ Associates, to use as much as possible, the Bayview Hunters Point PAC in letting people know that such employment opportunities were available.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. CHEU ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 54-2007, AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND ENTER INTO A PERSONAL SERVICES CONTRACT WITH EIP / PBSJ ASSOCIATES TO PREPARE AN ENVIRONMENTAL IMPACT REPORT FOR THE COMBINED HUNTERS POINT SHIPYARD / CANDLESTICK DEVELOPMENT PROJECT AND REDEVELOPMENT PLAN AMENDMENTS, INCLUDING BAYVIEW HUNTERS POINT AREA C, FOR AN AMOUNT NOT TO EXCEED \$700,000; BAYVIEW HUNTERS POINT AND HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

- 4 (g) Resolution No. 55-2007, Authorizing a Second Amendment to the Maintenance and Management Agreement with the Port of San Francisco for maintenance and management services for Rincon Park, extending the term from July 1, 2007 to June 30, 2010; and approving an operating budget for July 1, 2007 through June 30, 2008 in an amount not to exceed \$285,000 for a total aggregate amount not to exceed \$1,622,514; Rincon Point – South Beach Redevelopment Project Area

Presenters: Patricia Maitland (Agency staff)

Commissioner Romero stated that he remembered when the Agency first contracted with the Port of San Francisco when the GAP headquarters building was built along with the Rincon Park across the street, which was a beautiful park that is very much used by the community. Mr. Romero put forth a motion to adopt item 4 (g).

Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. CHEU ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 55-2007, AUTHORIZING A SECOND AMENDMENT TO THE MAINTENANCE AND MANAGEMENT AGREEMENT WITH THE PORT OF SAN FRANCISCO FOR MAINTENANCE AND MANAGEMENT SERVICES FOR RINCON PARK, EXTENDING THE TERM FROM JULY 1, 2007

TO JUNE 30, 2010; AND APPROVING AN OPERATING BUDGET FOR JULY 1, 2007 THROUGH JUNE 30, 2008 IN AN AMOUNT NOT TO EXCEED \$285,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,622,514; RINCON POINT – SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h)** Resolution No. 56-2007. Authorizing changes in the terms for forgivable loans authorized under the Six on Sixth Street Economic Revitalization Program for certain properties in need of substantial rehabilitation; South of Market Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Andrew Harris

Commissioner Breed put forth a motion to adopt item 4 (h).

Commissioner Covington seconded Commissioner Breed's motion. Ms. Covington stated that Mr. Mike Grisso mentioned the newspaper article from last year, but that he did not mention the newspaper article this past Sunday (June 3rd), with a huge photograph of Ms. Jenny McNulty and three wonderful businesses, but there was no mention of the Redevelopment Agency.

Mr. Mike Grisso, Project Manager, stated that he would pass along Commissioner Covington's sentiments to Urban Solutions.

Executive Director Rosen stated that she had asked Mr. Grisso to prepare a letter to the editor explaining the Agency's role in the revitalization of small business on Sixth Street.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED (MS. CHEU ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 56-2007, AUTHORIZING CHANGES IN THE TERMS FOR FORGIVABLE LOANS AUTHORIZED UNDER THE SIX ON SIXTH STREET ECONOMIC REVITALIZATION PROGRAM FOR CERTAIN PROPERTIES IN NEED OF SUBSTANTIAL REHABILITATION; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (i)** Resolution No. 57-2007, Authorizing a Predevelopment Loan Agreement in an amount not to exceed \$2,753,291 with Community Housing Partnership Corporation, a California nonprofit public benefit corporation, and Mercy Housing California, a California nonprofit public benefit corporation, for the development of up to 120 units of very low-income supportive housing on Central Freeway Parcel G, southeast corner of Fulton and Gough Streets; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenters: Erin Carson (Agency staff)

Speakers: David Schnur

Commissioner Singh asked if the funding request was a loan or a grant.

Ms. Erin Carson, Development Specialist, stated that the funding request was a loan.

Commissioner Singh asked how the loan would be repaid.

Ms. Carson stated that like all of the Agency's tax increment loans, the loan to Community Housing Partnership would have a similar structure with a 3% simple interest accrued and would be paid on residual receipts.

Commissioner Singh put forth a motion to adopt item 4 (i). Commissioner Romero seconded the motion.

Commissioner Breed stated she noticed that the memorandum did not indicate whether or not the Western Addition CAC approved the project or not, but that the project was before the CAC on two occasions.

Ms. Carson stated that the project itself was before the CAC twice, but that when staff was trying to go before the CAC on the funding request, the CAC were not conducting meetings at the time. Ms. Carson stated that the development team had outreached to each community member and had spoken to many of them on the telephone, and the CAC was sent a copy of the staff report.

Commissioner Breed stated she understood that the CAC was meeting and that there was only one meeting that did not occur.

Ms. Gaynell McCurn, Project Manager, stated that Commissioner Breed was correct and that the one meeting that occurred in May was a special meeting with no Agency items on the agenda.

Commissioner Breed asked why the Central Freeway Parcel G funding request was not calendared on the CAC agenda and if the CAC was aware of the funding request.

Ms. McCurn stated that the chair of the CAC set the agenda and had chosen not to put the matter on their agenda.

Commissioner Covington stated that the project was presented to the Hayes Valley Neighborhood Association and asked if the association endorsed the project and if there was any feedback.

Ms. Carson stated that the Hayes Valley Neighborhood Association heard the presentation, but did not take any action and was just listening to the progress of the proposed project. Ms. Carson stated that the feedback was quite supportive and that there were questions about supportive housing in general, and Mr. David Schnur of Community Housing Partnership attended to respond to specific issues about management and operations of supportive housing and suggested a tour of some of their facilities for interested residents and business owners from Hayes Valley.

Commissioner Covington asked if the suggested tour had taken place.

Ms. Carson stated that some members of the Hayes Valley Neighborhood Association were interested, but that the tour had not been scheduled.

Commissioner Covington stated that the project sounded wonderful to her, and that the Agency had opportunities for community endorsement, but the project had not received such endorsement.

Ms. Carson stated that there was endorsement of the project and support for the exclusive negotiations with Community Housing Partnership from both the CAC and the Hayes Valley Neighborhood Association.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. CHEU ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 57-2007, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$2,753,291 WITH COMMUNITY HOUSING PARTNERSHIP CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF UP TO 120 UNITS OF VERY LOW-INCOME SUPPORTIVE HOUSING ON CENTRAL FREEWAY PARCEL G, SOUTHEAST CORNER OF FULTON AND GOUGH STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (j) Workshop on the HOPE SF Taskforce Recommendations to the Mayor and the Board of Supervisors

Presenters: Fred Blackwell (MOCD), Naja Boyd (SFHA), Doug Shoemaker (MOH)

Commissioner Covington thanked Mr. Fred Blackwell, Ms. Naja Boyd and Mr. Doug Shoemaker for coming to present the HOPE SF project, and stated that this was a very exciting opportunity for the City to replace each an every unit of public housing in the City, and there would be no loss of public housing and at the same time, adding market-rate and affordable homeownership so that people could move from one level of housing to another as their careers developed and as families grew. Ms. Covington stated that the HOPE SF was just a wonderful idea, especially in light of the fact that federal dollars had dried up for public housing and that at every meeting, it was her pleasure to a part of the task force and recalled that there were residents of public housing who never missed a task force meeting and showed great enthusiasm for the concept. Ms. Covington stated she thought that this concept was a real estate deal with a heart and a vision and that she was so excited about its prospects. Ms. Covington stated she hoped that as matters come before the Commission for consideration that the Commission would lend its support along with the Mayor's support as well as Supervisor Maxwell who represents 7 out of the 8 public housing developments. Ms. Covington stated that also attending the task force meetings were several members of the granting community as well as representatives from various foundations, so there was definitely some foundation interest on the proposal.

President Peterson thanked Commissioner Covington for her efforts and hard work on the HOPE SF project.

Commissioner Breed stated that it was not clear to her whether or not the proposal was to rebuild or rehabilitate the public housing units and seemed there would be both activities.

Mr. Doug Shoemaker, Deputy Director for the Mayor's Office of Housing, stated that the majority of the 8 public housing sites as part of the HOPE SF, would be a phase redevelopment. For example, for the Hunters View project that was currently underway, the idea would be that as part of the site was redeveloped, torn down and rebuilt, there would be rehabilitation of the existing units on site so that folks would be relocated within the existing development.

Commissioner Breed requested verification that overall, once the project was completed, there would be new construction of the housing units.

Mr. Shoemaker affirmed that there would be new construction of the housing units.

Commissioner Breed stated that security is a major issue at the Plaza East development and that she was trying to understand what would happen with the new developments, because there would still be confined spaces during

the phased development that would not change the security issues with the public housing units, and asked if there was a plan to address the security issues while the properties go through the planned development transition.

Ms. Naja Boyd, Housing Authority Deputy Executive Director, stated she thought that the security issues would be part of the predevelopment activities and the planning for the various projects that would include addressing the safety issues for the long term.

Commissioner Breed asked how the Housing Authority was securing the existing public housing developments, in particular the Plaza East development.

Ms. Boyd stated that currently, for most of the Bayview Hunters Point sites, the Housing Authority contracted with the San Francisco Police Department through a Memorandum of Understanding (MOU) where 16 police officers are assigned to the Bayview Hunters Point and Visitacion Valley areas. Ms. Boyd stated that for the Plaza East, 4 police officers were recently assigned at the request of Supervisor Mirkarimi. Ms. Boyd stated that in addition, the Housing Authority had private security at the sites.

Commissioner Breed requested verification that the private security services were for only certain times and not 24 hours.

Ms. Boyd stated that the private security service was for 16 hours and that the Police Department covered the sites from 9:00 in the morning to 9:00 in the evening.

Commissioner Breed stated that she still had concerns because the exteriors of the public housing developments may look good, but that the culture inside the developments had not changed much, and that was her experience living at Plaza East and the security was still a serious issue. Ms. Breed stated that in moving forward, she would like some assurances because she was still not completely satisfied with how security was being managed at that particular development.

Mr. Fred Blackwell, Director of the Mayor's Office of Community Development, stated that they recognized that while the proposal was exciting, the development process was actually some time away and that the Housing Authority had some immediate needs that needed to be addressed. Mr. Blackwell stated that one of the things they were working on in the Mayor's Office was to develop a partnership between the Housing Authority and the City as a whole that would address maintenance, safety and human services issues. Mr. Blackwell stated that as Ms. Boyd mentioned, the Housing Authority had a MOU with the Police Department and there was also a MOU with the Department of Building Inspection, all in an effort to be more coordinated in addressing the public housing issues.

Commissioner Breed stated that the security was really important for her as well as the appearance of the developments, and although there was some recent rehabilitation of some of the developments, they still did not look appealing to the eye, and so she was excited with the plans to tear down the old buildings and rebuild new ones. Ms. Breed stated she recalled that when the old Plaza East buildings were torn down, they were well built and really strong buildings with very thick walls, and remembered that during the 1989 earthquake, she did not even notice the earthquake, but that now, the newer buildings seemed to have been built with thinner walls and people walking up and down the stairs could be heard. Ms. Breed asked what plans were being made to address the noise and sound issues that had not been addressed in all of the HOPE VI project sites that had been completed.

Mr. Shoemaker stated that they had been talking to the residents from Plaza East, Bernal Heights, Valencia Gardens and North Beach and were trying to figure out what went right and what went wrong. Mr. Shoemaker stated that one of the things they were trying to do as Commissioner Breed mention, was that many of the developments looked a lot better, but that they had not actually addressed all of the issues they had intended to address. Mr. Shoemaker stated that some of the projects would come before the Agency Commission and they would make sure that the design issues would be addressed and that they were not planning the cinder-block type construction that had the great sound attenuation features, but that he did not see any reason why the sound and noise issued could not be addressed in the design phases.

Commissioner Breed asked what was being expected from the Agency in terms of financial assistance because she had not seen dollar figures for estimated costs.

Mr. Shoemaker stated that they did not have a specific budgetary request for the developments in terms of annual basis, and that he did not think there would be an annual funding request. Mr. Shoemaker stated that the proposal included 8 developments, four of which are located in the Bayview Hunters Point area and the other four were outside and that what the Mayor's Office and Housing Authority would expect, if they were able to get the funding from the Board of Supervisors, that there would be some competitive process as the decision had not been made as to which project would be funded, and depending on which projects were within the redevelopment project area, that would have a significant impact on how much money the Agency might be able to invest. Mr. Shoemaker stated that for example, when the Hunters View project is done, the cost would be in the neighborhood of between \$15 and \$25 million for the affordable rental and homeownership, and there was no specific request of the Agency to fund that amount and there had been no commitment of Agency funds.

Commissioner Breed stated that with all of the problems surrounding public housing particularly in the Bayview Hunters Point, asked how realistic the Mayor's Office thought would people buy into the idea of a mixed-income community.

Mr. Shoemaker stated that was one of things they were most focused on, because there would be no guarantee especially in the case of Hunters View, with Westbrook Apartments next door and Hunters Point right over the hill, that folks would necessary feel that was an ideal place to buy a market-rate condominium for \$500,000. Mr. Shoemaker stated that as they spoke to other folks in other cities, they learned that security and schools were big issues that either drew or pushed people away from buying a home in these areas.

Commissioner Breed requested a copy of the task force report. Ms. Breed stated she knew that for Plaza East, the issue of maintenance was a problem in terms of the plumbing fixtures and bathroom floors and their quality, because she knew that residents continued to have problems with repairs, and that she hoped that would be taken into consideration by the task force to try and provide the best quality materials for the housing units so that maintenance would not be that big of a problem. Ms. Breed stated that she did not support the concept of residents moving, because her experience in growing up in public housing with her grandmother and other folks, was that they enjoyed living in their units and that they did not want to move around a lot, and that she would be interested in hearing the input of the residents from the affected public housing developments. Ms. Breed stated that she would assume that residents would be able to remain in the same unit and not have to move.

Mr. Shoemaker stated that residents would definitely be able to remain the same unit, but that one of things they heard from residents was that given the economic opportunities that would be available in the community as part of the proposal, people asked what housing options would be available to them if they no longer qualified to live in public housing as their economic situations improved.

Commissioner Breed stated that she wanted to ensure that the residents of the developments would have first priority and trained well in advance, before the development begins in order to have employment opportunities within the developments.

Commissioner Singh requested verification that the U.S. Congress was going to authorize \$600 million nationwide for the HOPE program.

Mr. Shoemaker stated that was their hope and that was what the U.S. Senate had proposed and that this was the first time in years that someone had proposed something of that scale.

Commissioner Singh asked if the appropriation was authorized, how much of the \$600 million would go to San Francisco, and based upon previous experience, how well would San Francisco do in receiving grants.

Mr. Shoemaker stated that San Francisco had been more successful than any other city in the country and that the Housing Authority and its partners had secured five HOPE VI grants, which they had completed, which had not been done anywhere in the country, and that spoke volumes about San Francisco's very successful track record. Mr. Shoemaker stated he thought that San Francisco would be very competitive because of many factors, including significant amount of public investment, the concept of mixed-income neighborhoods, and highly leveraged developments. Mr. Shoemaker stated that they have read the draft legislation and they thought that San Francisco had one of the most competitive programs in the country.

Commissioner Singh thanked Mr. Shoemaker, Mr. Blackwell and Ms. Boyd for their wonderful presentation to the Commission.

President Peterson stated that he would imagine that the market-rate housing proposed would be pioneering in concept and that the housing would be a better product for the money.

Mr. Shoemaker stated that when they say market-rate, they were talking about homes in the neighborhood of \$500,000 to \$550,000 and would be significantly below compared to the median priced home in the City, and that one of the goals of the task force was to provide family-sized housing consistent with the existing family-sized public housing and provide a lot more house for the money.

President Peterson stated that the Carter Terrace project is very attractive and asked if there was some anecdotal information about the pricing of the public housing, and asked what was there before the project was developed.

Mr. Shoemaker stated that the Carter Terrace project was not public housing, but affordable rental housing and was funded with tax credits.

Executive Director Rosen stated that the land was vacant before Carter Terrace was developed.

Mr. Shoemaker stated that Carter Terrace was not an example of rebuilt public housing, but was of the same scale and similar topography that might be done for the public housing sites.

President Peterson thanked Mr. Shoemaker, Mr. Blackwell and Ms. Boyd for a very nice and informative presentation. Mr. Peterson complimented Commissioner Covington for her time, devotion and energy on the project.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Raymon Smith

NOTE: Mr. Smith reported to the Commission that there were problems with the street tree wells along Sixth Street.

President Peterson asked the Executive Director to look into the matter and to contact Mr. Smith.

Executive Director Rosen stated that she would ask Mr. Mike Grisso, Project Manager, to get in touch with Mr. Smith.

7. **REPORT OF THE PRESIDENT**

- President Peterson stated that he was happy to hear that there was a confirmed date for the Commission retreat, on Tuesday July 24th.
- President Peterson stated that on behalf of the Commission and staff, he sends condolences to Commissioner Linda Cheu and her family on the passing of her mother.

8. **REPORT OF THE EXECUTIVE DIRECTOR** None.

- Executive Director Rosen reported that at last week's regional meeting of the Pacific Coast Builders Association, the Mission Creek Senior Community won the highest award in the best mixed-use project category, and was actually nominated in three categories and received honorable mention plaques in best senior housing and best affordable housing.
- Executive Director Rosen stated that she wanted to inform the Commission about an informational memorandum regarding the dust control matter at the Shipyard, which staff updated based on notification

at about 2:00 p.m. earlier in the afternoon from Treadwell and Rollo, the Agency's environmental consultant at the Shipyard, about supposedly an exposure in exceedence on June 4th, and staff learned later that there was a miscalculation and that there was not an exceedence on June 4th. Ms. Rosen stated that there was an event on June 1st, but that the June 4th reading was only at 2,000 and not at the 19,800 indicated on the informational memorandum. Ms. Rosen stated that in order to keep the record clear on the dust control matter, she would ask staff to redo the memorandum with the correct information for the public record and provide it to the Commission.

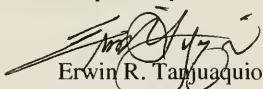
9. **COMMISSIONERS' QUESTIONS AND MATTERS** None.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Covington, seconded by Ms. Breed, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:14 p.m.

Respectfully submitted,


Erwin R. Tanguaquo
Agency Secretary

APPROVED:

June 19, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
19TH DAY OF JUNE 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of June 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President	
Francee Covington, Vice-President	DOCUMENTS DEPT.
London Breed	
Linda Cheu	JUL 19 2007
Leroy King	
Ramon E. Romero	SAN FRANCISCO
Darshan Singh	PUBLIC LIBRARY

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

CONTINUED FROM THE APRIL 17, 2007 COMMISSION MEETING

- 3 (a) Resolution No. 25-2007, Authorizing the issuance of a Request for Proposals for the development of approximately 18 to 20 units for low- and moderate-income first time homebuyer at 1210 Scott Street (Block 0729, Lot 044); Western Addition Redevelopment Project Area A-2

Commissioner Breed put forth a motion to continue item 3 (a) to the August 7, 2007 Commission meeting. Commissioner Romero seconded the motion.

President Peterson stated that between now and the August 7th Commission meeting, he and his fellow Commissioners would like to see some progress on the disposition of the 1210 Scott Street parcel. Mr. Peterson stated he thought that there would be more than one Commissioner who would not look favorably on additional delays beyond the first Commission meeting in August.

MOTION: IT WAS MOVED BY MS. BREED, SECOINDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 3 (a) RESOLUTION NO. 25-2007, AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF APPROXIMATELY 18 TO 20 UNITS FOR LOW- AND MODERATE-INCOME FIRST TIME HOMEBUYER AT 1210 SCOTT STREET (BLOCK 0729, LOT 044); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE CONTINUED TO THE AUGUST 7, 2007 COMMISSION MEETING.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meetings of May 1, 2007 (continued from the May 15, 2007 Commission meeting), May 15, 2007 (including special meeting of the Financing Authority), and June 5, 2007
- 4 (b) Resolution No. 58-2007, Authorizing the execution of a letter agreement with the Mayor's Office of Community Development ("MOCD") to transfer the Agency's existing contract with the Private Industry Council of San Francisco, Inc., a California nonprofit public benefit corporation, to MOCD to provide employment development services for four months from July 1, 2007 to October 31, 2007 for the Westfield San Francisco Centre development in an amount not to exceed \$61,666; Yerba Buena Center Redevelopment Project Area

- 4 (c) Resolution No. 59-2007, Authorizing a Fifth Amendment to the Personal Services Contract with Elizabeth H. Haughey, a sole proprietor, to increase the contract in an amount not to exceed \$22,000, for a total aggregate amount not to exceed \$85,500, and to extend the contract term to June 30, 2008, to provide services in connection with the Single Room Occupancy Hotel Rehabilitation Loan Program, South of Market Redevelopment Project Area
- 4 (d) Resolution No. 60-2007, Authorizing a 2007-2008 Fiscal Agent Agreement with the County of Marin in an amount not to exceed \$634,000 from July 1, 2007 to June 30, 2008; Housing Opportunities for Persons With AIDS Program
- 4 (e) Resolution No. 61-2007, Authorizing a 2007-2008 Fiscal Agent Agreement with the County of San Mateo in an amount not to exceed \$670,000 from July 1, 2007 to June 30, 2008; Housing Opportunities for Persons With AIDS Program
- 4 (f) Resolution No. 62-2007, Authorizing the substitution of the Junipero Serra, L.P. a California limited partnership for Junipero Serra, LLC, a California limited liability company, each an affiliate of Mercy Housing California, in conjunction with the refinancing of the Junipero Serra House Apartments, 926 Fillmore Street; Western Addition Redevelopment Project Area A-2
- 4 (g) Resolution No. 63-2007, Authorizing a First Amendment to the Personal Services Contract with Williams, Adley & Company, a Delaware limited liability partnership to increase the contract amount by \$210,400 for a total aggregate amount not to exceed \$509,200 and to exercise a two year option to extend the contract term from November 30, 2007 to November 30, 2009, to provide consulting and auditing services
- 4 (h) Resolution No. 64-2007, Authorizing Amended and Restated Façade Improvement, Tenant Improvement, and Business Assistance Loan Agreements with Sheba Lounge, LLC, a California limited liability company, to amend the interest rates and other terms of the existing agreements associated with establishing a restaurant/music lounge at 1419 Fillmore Street; Western Addition Redevelopment Project Area A-2
- 4 (i) Resolution No. 65-2007, Determining that a formula retail use proposed by 99 Cents Only Stores for 1336 Post Street is inconsistent with the Western Addition A-2 Redevelopment Plan and the Formula Retail Policy; Western Addition Redevelopment Project Area A-2

Commissioner Breed put forth a motion to adopt the consent agenda.

Commissioner King stated that he would not accept the consent agenda items because he thought that the Commission was no longer needed as everything had been placed on the consent agenda and it seemed that the

Commission was not given an opportunity to review the items. Mr. King stated that it was just the staff that did the review for the nine items on the consent agenda. Mr. King stated that the Commissioners might as well resign and let the staff run the Agency because the Commission no longer had a say as to what goes on the consent agenda. Mr. King stated that he would not vote for the consent agenda.

Commissioner Cheu seconded Commissioner Breed's motion to adopt the consent agenda, and stated that she would abstain from voting on the June 5th meeting minutes as she was not in attendance.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. CHEU, THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETINGS OF MAY 1, 2007, MAY 15, 2007, AND JUNE 5, 2007 (MS. CHEU ABSTAINED FOR THE JUNE 5, 2007 MINUTES), 4 (b) RESOLUTION NO. 58-2007, AUTHORIZING THE EXECUTION OF A LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT ("MOCD") TO TRANSFER THE AGENCY'S EXISTING CONTRACT WITH THE PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO MOCD TO PROVIDE EMPLOYMENT DEVELOPMENT SERVICES FOR FOUR MONTHS FROM JULY 1, 2007 TO OCTOBER 31, 2007 FOR THE WESTFIELD SAN FRANCISCO CENTRE DEVELOPMENT IN AN AMOUNT NOT TO EXCEED \$61,666; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, 4 (c) RESOLUTION NO. 59-2007, AUTHORIZING A FIFTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH ELIZABETH H. HAUGHEY, A SOLE PROPRIETOR, TO INCREASE THE CONTRACT IN AN AMOUNT NOT TO EXCEED \$22,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$85,500, AND TO EXTEND THE CONTRACT TERM TO JUNE 30, 2008, TO PROVIDE SERVICES IN CONNECTION WITH THE SINGLE ROOM OCCUPANCY HOTEL REHABILITATION LOAN PROGRAM, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, 4 (d) RESOLUTION NO. 60-2007, AUTHORIZING A 2007-2008 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN IN AN AMOUNT NOT TO EXCEED \$634,000 FROM JULY 1, 2007 TO JUNE 30, 2008; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, 4 (e) RESOLUTION NO. 61-2007, AUTHORIZING A 2007-2008 FISCAL AGENT AGREEMENT WITH THE COUNTY OF SAN MATEO IN AN AMOUNT NOT TO EXCEED \$670,000 FROM JULY 1, 2007 TO JUNE 30, 2008; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, 4 (f) RESOLUTION NO. 62-2007, AUTHORIZING THE SUBSTITUTION OF THE JUNIPERO SERRA, L.P. A CALIFORNIA LIMITED PARTNERSHIP FOR JUNIPERO SERRA, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY,

EACH AN AFFILIATE OF MERCY HOUSING CALIFORNIA, IN CONJUNCTION WITH THE REFINANCING OF THE JUNIPERO SERRA HOUSE APARTMENTS, 926 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, 4 (g) RESOLUTION NO. 63-2007, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH WILLIAMS, ADLEY & COMPANY, A DELAWARE LIMITED LIABILITY PARTNERSHIP TO INCREASE THE CONTRACT AMOUNT BY \$210,400 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$509,200 AND TO EXERCISE A TWO YEAR OPTION TO EXTEND THE CONTRACT TERM FROM NOVEMBER 30, 2007 TO NOVEMBER 30, 2009, TO PROVIDE CONSULTING AND AUDITING SERVICES, 4 (h) RESOLUTION NO. 64-2007, AUTHORIZING AMENDED AND RESTATED FAÇADE IMPROVEMENT, TENANT IMPROVEMENT, AND BUSINESS ASSISTANCE LOAN AGREEMENTS WITH SHEBA LOUNGE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO AMEND THE INTEREST RATES AND OTHER TERMS OF THE EXISTING AGREEMENTS ASSOCIATED WITH ESTABLISHING A RESTAURANT/MUSIC LOUNGE AT 1419 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, 4 (i) RESOLUTION NO. 65-2007, DETERMINING THAT A FORMULA RETAIL USE PROPOSED BY 99 CENTS ONLY STORES FOR 1336 POST STREET IS INCONSISTENT WITH THE WESTERN ADDITION A-2 REDEVELOPMENT PLAN AND THE FORMULA RETAIL POLICY; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED “AYE”:

Ms. Breed
Ms. Cheu
Ms. Covington
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED “NAY”:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DECLARED THAT THE CONSENT AGENDA WAS ADOPTED.

REGULAR AGENDA

Items 4 (j) through 4 (n) were presented together and acted upon separately.

- 4 (j)** Resolution No. 66-2007, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, in an amount not to exceed \$4,350,060, for July 1, 2007 to June 30, 2010, contingent upon program considerations, availability of funds and performance, for the Leland House, located at 141 Leland Avenue, to provide program operating and service costs for people living with HIV/AIDS; Housing Opportunities for Persons With AIDS Program
- 4 (k)** Resolution No. 67-2007, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, in an amount not to exceed \$2,130,756, for July 1, 2007 to June 30, 2010, contingent upon program considerations, availability of funds and performance, for the Peter Claver Community Facility located at 1340 Golden Gate Avenue, to provide program operating and service costs for people living with HIV/AIDS; Housing Opportunities for Persons With AIDS Program
- 4 (l)** Resolution No. 68-2007, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Dolores Street Community Services, a California nonprofit public benefit corporation, in an amount not to exceed \$1,438,050, for July 1, 2007 to June 30, 2010, contingent upon program considerations, availability of funds and performance, for the Richard M. Cohen Residence, located at 220 Dolores Street, to provide program operating and service costs for people living with HIV/AIDS; Housing Opportunities for Persons With AIDS Program
- 4 (m)** Resolution No. 69-2007, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Larkin Street Youth Services, a California nonprofit public benefit corporation, in an amount not to exceed \$1,044,432, for July 1, 2007 to June 30, 2010, contingent upon program considerations, availability of funds and performance, for its assisted care facility at 129 Hyde Street to provide program operating and service costs for youth living with HIV/AIDS; Housing Opportunities for Persons With AIDS Program
- 4 (n)** Resolution No. 70-2007, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Maitri, a California nonprofit public benefit corporation, in an amount not to exceed \$1,476,501, for July 1, 2007 to June 30, 2010, contingent upon program considerations, availability of funds and performance, for its residential care facility located at 401 Duboce Street, to provide program operating and service costs for people living with HIV/AIDS; Housing Opportunities for Persons With AIDS Program

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Breed put forth motions to adopt items 4 (j) through 4 (n). Commissioner Romero seconded the motions.

Commissioner King asked what the affirmative action was for each of the organizations.

Ms. Elizabeth Colomello, Development Specialist, stated that she did not have the breakdown for the organizations, but that each organization reported that information to the City's Department of Public Health.

Commissioner King asked if the organizations provided reports to the Agency as they were supposed to.

Ms. Colomello stated that she would gather the information and provide it to the Commission.

Commissioner Singh stated that the affirmative action reports should be available to the Commission.

Executive Director Rosen stated that she was not certain what Commissioner King was referring to, but that the agreements were supportive services contracts for the licensed care facilities for people living with HIV/AIDS, for which the construction contracting was at least 10 years ago. The Agency had contract compliance reports when the facilities were being constructed. Ms. Rosen stated that now the organizations were operating the facilities, and that she believed that the data about the demographics of the people served was included in the Commission memoranda, but that there was no contracting activity going on.

Commissioner King stated that he would like to see the workforce breakdown for each of the organizations operating the licensed care facilities.

Executive Director Rosen stated that the Commission would be provided with the employment profiles of each of the organizations operating the licensed care facilities.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 66-2007, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC

BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$4,350,060, FOR JULY 1, 2007 TO JUNE 30, 2010, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR THE LELAND HOUSE, LOCATED AT 141 LELAND AVENUE, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 67-2007, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$2,130,756, FOR JULY 1, 2007 TO JUNE 30, 2010, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR THE PETER CLAVER COMMUNITY FACILITY LOCATED AT 1340 GOLDEN GATE AVENUE, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (l) RESOLUTION NO. 68-2007, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH DOLORES STREET COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,438,050, FOR JULY 1, 2007 TO JUNE 30, 2010, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR THE RICHARD M. COHEN RESIDENCE, LOCATED AT 220 DOLORES STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (m) RESOLUTION NO. 69-2007, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH LARKIN STREET YOUTH SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,044,432, FOR

JULY 1, 2007 TO JUNE 30, 2010, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR ITS ASSISTED CARE FACILITY AT 129 HYDE STREET TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR YOUTH LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (n) RESOLUTION NO. 70-2007, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH MAITRI, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,476,501, FOR JULY 1, 2007 TO JUNE 30, 2010, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR ITS RESIDENTIAL CARE FACILITY LOCATED AT 401 DUBOCE STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

- 4 (o) Resolution No. 71-2007, Authorizing a Letter Agreement with the Mayor's Office of Community Development, in an amount not to exceed \$2,165,624, subject to appropriation of funds, for administration of contracts with five community-based organizations to provide business assistance and employment development services from July 1, 2007 to June 30, 2008; all redevelopment project and survey areas

Presenters: Isabella Wong (Agency staff)

Speakers: Luis Browne, Jenny McNulty

Commissioner Covington put forth a motion to adopt item 4 (o).
Commissioner Breed seconded the motion.

Commissioner Romero stated that he wanted to take a moment to commend each of the community based organizations for their hard work and wonderful reputation and track record with the Redevelopment Agency, and to thank each of them for doing such a good job and that their community service and dedication did not go unnoticed.

President Peterson stated that he echoed the sentiments of Commissioner Romero.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (o) RESOLUTION NO. 71-2007, AUTHORIZING A LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT, IN AN AMOUNT NOT TO EXCEED \$2,165,624, SUBJECT TO APPROPRIATION OF FUNDS, FOR ADMINISTRATION OF CONTRACTS WITH FIVE COMMUNITY-BASED ORGANIZATIONS TO PROVIDE BUSINESS ASSISTANCE AND EMPLOYMENT DEVELOPMENT SERVICES FROM JULY 1, 2007 TO JUNE 30, 2008; ALL REDEVELOPMENT PROJECT AND SURVEY AREAS, BE ADOPTED.

- 4 (p) Resolution No. 72-2007, Approving a fiscal year 2007-2008 budget for the Bayview Hunters Point Project Area Committee in an amount not to exceed \$175,000, subject to appropriations by the Board of Supervisors, and authorizing a first amendment to the personal services contract with Business Development, Inc., a California corporation, to extend the term of the contract for one year from July 1, 2007 to June 30, 2008 in an amount not to exceed \$175,000, for a total aggregate amount not to exceed \$305,000, to provide fiscal agent and administrative support services to the Project Area Committee; Bayview Hunters Point Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff)

Commissioner Singh put forth a motion to adopt item 4 (p). Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, THAT ITEM 4 (p) RESOLUTION NO. 72-2007, APPROVING A FISCAL YEAR 2007-2008 BUDGET FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$175,000, SUBJECT TO APPROPRIATIONS BY THE BOARD OF SUPERVISORS, AND AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH BUSINESS DEVELOPMENT, INC., A CALIFORNIA CORPORATION, TO EXTEND THE TERM OF THE CONTRACT FOR ONE YEAR FROM JULY 1, 2007 TO JUNE 30, 2008 IN AN AMOUNT NOT TO EXCEED \$175,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$305,000, TO PROVIDE FISCAL AGENT AND ADMINISTRATIVE SUPPORT SERVICES TO THE PROJECT AREA COMMITTEE; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (q)** Resolution No. 73-2007, Approving a fiscal year 2007-2008 budget for the South of Market Project Area Committee in an amount not to exceed \$209,314 subject to appropriation by the Board of Supervisors; South of Market Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff)

Speakers: John Melone, Chris Durazo, Raymon Smith

President Peterson asked Mr. Raymon Smith if staff provided a response to the concern he raised at the June 5th Commission meeting about the street trees on Sixth Street.

Mr. Raymon Smith stated that he had not heard from Agency staff.

Mr. Mike Grisso, Project Manager, stated that an informational memorandum was prepared and provided to the members of the South of Market Project Area Committee (PAC), of which Mr. Smith is a member.

Executive Director Rosen had a copy of the informational memorandum and provided it to Mr. Smith.

Commissioner Singh asked who the PAC staff was.

Mr. Grisso introduced Ms. Marcia Bond, staff for the South of Market PAC.

Commissioner Singh put forth a motion to adopt item 4 (q). Commissioner Cheu seconded the motion.

Commissioner Covington stated that she would vote for item 4 (q) as she did for the \$175,000 for the Bayview Hunters Point PAC as well as the \$209,314 for the South of Market PAC, but that she wanted to point out to her fellow Commissioners the incredible imbalance in the financial support that some PACs received versus others, and stated that the Western Addition Citizens' Advisory Committee received less than \$50,000 a year.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (q) RESOLUTION NO. 73-2007, APPROVING A FISCAL YEAR 2007-2008 BUDGET FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$209,314 SUBJECT TO APPROPRIATION BY THE BOARD OF SUPERVISORS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 5. MATTERS NOT APPEARING ON THE AGENDA** None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Ace Washington

7. REPORT OF THE PRESIDENT

- President Peterson announced that the regular Commission meeting for July 3, 2007 was cancelled.
- President Peterson stated that he and Commissioner Breed were scheduled to meet with Ms. Aileen Hernandez, the facilitator for the July 24th Commission retreat, and asked his fellow Commissioners to let him know if they had suggestions for agenda topics. Mr. Peterson asked his fellow Commissioners to get their suggestions to him by the morning of Wednesday June 27th.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen reported that the Agency's interim budget for fiscal year 2007-2008 was passed by the Board of Supervisors, and that the budget hearings had been rescheduled, and the first of two public hearings on the Agency's budget was scheduled for Wednesday June 27th. The second public hearing had not yet been scheduled, but that the Commission would be kept informed.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington stated that after she had lunch on Thursday (June 14th) at the Museum of Modern Art, she crossed Third Street to go through the Yerba Buena Gardens, but it was closed for a private party for Apple Computers. Ms. Covington stated that she wanted to know under what circumstances would the Agency close a public park that was built and maintained with public funds for a private entity, like Apple Computers. Ms. Covington stated that there are a lot of elderly people who lived in various buildings surrounding the Yerba Buena Gardens and that they had mobility issues. Ms. Covington stated that on a beautiful, sunny day like last Thursday, many elderly people wanted to go to the park and sit, but were turned away by security at all entrances to the park. Ms. Covington stated that she wanted to know how much remuneration the Agency received for closing the Yerba Buena Gardens for a private corporation.

Executive Director Rosen stated that staff would provide a report to the Commission, but that because of conventions at the Moscone Convention Center, the gardens facilities were used in cooperation with the City's Visitors' and Convention Bureau for events.

- Commissioner Covington asked that staff also provide the number of days that the gardens were closed for private parties, because the Yerba Buena Gardens were a City resource and although she understood that the City needed the conventions, the City should not be indifferent to its citizens, because they need access to such public spaces.

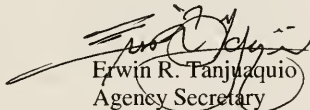
10. CLOSED SESSION

- 10 (a)** Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators regarding the Agency's option to lease the Jessie Hotel space at 680 Mission Street in the Yerba Buena Center Approved Redevelopment Project Area. The party with whom the Agency would negotiate is Third and Mission Associates LLC, a California limited liability company. Agency negotiators: Marcia Rosen, Joanne Sakai, Amy Neches, Tracie Reynolds, and Denise Blades.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:34 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

July 17, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
17TH DAY OF JULY 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of July 2007, at the place and date duly established for holding of such a meeting.

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4
17/07
President Richard H. Peterson Jr. called the meeting to order at 4:00 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

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3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting June 19, 2007

4 (b) Resolution No. 74-2007, Authorizing substitution of AR GP LLC, a California limited liability company, for ARP, Inc. as the general partner for the AR Preservation, L.P., a California limited partnership and owner of the Alexander Residence at 230 Eddy Street; Citywide Tax Increment Housing Program

4 (c) Resolution No. 75-2007, Authorizing substitution of AM GP LLC, a California limited liability company, as the general partner of AM Preservation, Inc., a California limited partnership and owner of Antonia Manor at 180 Turk Street; Citywide Tax Increment Housing Program

4 (d) Resolution No. 76-2007, Authorizing substitution of MM GP LLC, a California limited liability company, for MM Preservation, Inc., as the general partner of MM Preservation, L.P., a California limited partnership and owner of Maria Manor at 174 Ellis Street; Citywide Tax Increment Housing Program

The Commission withdrew items 4 (b), (c) and (d) from the consent agenda at the request of the public.

The Commission voted on consent agenda item 4 (a), the approval of the June 19th meeting minutes.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: MEETING OF JUNE 19, 2007, BE ADOPTED.

Agency staff presented items 4 (b), (c) and (d).

Presenters: Garrett P. Smith, Agency staff

Speakers: John Nulty, Michael Nulty, Reggie Meadows

Commissioner King stated that he was disturbed to hear that the Alexander Residence did not have a tenants' association any more, and that he wanted to find out what the workforce breakdown was for the Alexander Residence because the Agency had not been provided with a report in a while.

Mr. Don Falk, Executive Director of Tenderloin Neighborhood Development Corporation (TNDC), stated that he did not have with him the workforce breakdown of the Alexander Residence, but would provide a report to the Commission. Mr. Falk stated that for the TNDC, 80% of its workforce constituted people of color. Mr. Falk stated that the objection raised by Mr. John Nulty was over a typographical error in the manner in which the agenda titles were listed with abbreviations instead of the full name of the residences spelled out, and that he felt that the matters listed on the consent agenda could move forward because the titles did list the name of the buildings as well as the addresses and that they did not believe that people were misled by the typographical errors. Mr. Falk stated that they wrote a memorandum that was shared with the tenants of the three buildings to explain what TNDC was attempting to do, and no one raised objections. Mr. Falk stated that in order to be saved from paying property taxes, the owner had to be tax-exempt or if it was a limited partnership that owned the buildings, then the general partner had to be tax-exempt so, TNDC had been the general partner since the end of 2000, however, TNDC had been sincere in striving to meet the spirit of the program, which was that one third of the members of the board be tenants, and that could not happen with TNDC and they tried to establish a separate corporation that would be comprised of one third tenants and two thirds of TNDC appointees, but could not get a tax exemption for that new corporation. Mr. Falk stated that the law changed and allowed for Limited Liability Companies (LLC) to step in as general partner and obtain the property tax exemption, which was being proposed and they had created a management committee, which would fulfill the spirit of the one third, two-thirds representation on the board. Mr. Falk stated that for the record, he did not agree with the allegations around the quality of work or TNDC's efforts to fulfill the spirit of the tenants' association or the quality of the management.

Commissioner Romero stated that the complaints from Mr. John Nulty and Mr. Michael Nulty had no substance and had nothing to do with the items before the Commission, and neither did the objection raised by Mr. Reggie Meadow had anything to do with the items before the Commission. Mr. Romero put forth motions to adopt items 4 (b), (c) and (d).

Commissioner King stated that he disagreed with Commissioner Romero because the public had the right to speak and address the Commission.

Commissioner Romero stated that he did not have any objections to members of the public speaking, but that he did not agree with the statements made. Mr. Romero stated that the public did have the opportunity to speak and address the Commission, and that a typographical error was not enough to stop the items from moving forward.

Commissioner Cheu requested clarification that Commissioner Romero's motions were to move the approvals with the corrected names of the developments.

Commissioner Romero stated that he did not know if there need to be a motion to correct the names of the developments.

General Counsel James Morales asked staff if the resolutions had the proper names of the developments.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that staff had used the abbreviations of the full names of the LLCs as follows: item 4 (b) should have been Alexander Residence General Partner, 4 (c) should have been Antonia General Partner, and 4 (d) should have been Maria Manor General Partner instead of the listed abbreviations.

Commissioner Cheu stated that she would second Commissioner Romero's motions with the typographical corrections to the names.

Commissioner Romero stated that he would conform his motions for approval to the typographical corrections.

Commissioner Covington stated that if the Agency was required by law to provide a 72-hour notice of the Commission agenda, she thought the items should be continued because the motions to approve the items was different from what was listed and noticed on the agenda, and that she did not think the Agency would be in compliance, because it was necessary to have the full names of the general partners spelled out on the noticed agenda. Ms. Covington stated that she knew there were motions on the floor, and that the reason for the public meetings was so that members of the public could come and address the Commission.

Commissioner Breed stated that she agreed with Commissioner Covington's suggestion to continue the items and that she did not think it was unreasonable to allow the community and the tenants to receive proper notification, and that she did not think it was just a typographical error because the full names of the general partners were not spelled out. Ms. Breed stated that the Commission would first have to vote on the motions on the floor, which had been seconded before the continuance could be considered.

Commissioner Singh stated that he did not see what difference it would make to continue the items since people took the time to come to the meeting and would have to come back again just for the corrections of the typographical errors.

President Peterson stated that he agreed with Commissioner Singh that the typographical errors were technicalities and not material and that there was no reason to bring everybody back to another meeting.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, THAT ITEM 4 (b) RESOLUTION NO. 74-2007, AUTHORIZING SUBSTITUTION OF AR GP LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR ARP, INC. AS THE GENERAL PARTNER FOR THE AR PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP AND OWNER OF THE ALEXANDER RESIDENCE AT 230 EDDY STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED AS AMENDED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Cheu
Ms. Covington
Mr. King
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED "NAY":

Ms. Breed

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 74-2007 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, THAT ITEM 4 (c) RESOLUTION NO. 75-2007, AUTHORIZING SUBSTITUTION OF AM GP LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS THE GENERAL PARTNER OF AM PRESERVATION, INC., A CALIFORNIA LIMITED PARTNERSHIP AND OWNER OF ANTONIA MANOR AT 180 TURK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED AS AMENDED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Cheu
Ms. Covington
Mr. King
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED “NAY”:

Ms. Breed

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 75-2007 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, THAT ITEM 4 (d) RESOLUTION NO. 76-2007, AUTHORIZING SUBSTITUTION OF MM GP LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR MM PRESERVATION, INC., AS THE GENERAL PARTNER OF MM PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP AND OWNER OF MARIA MANOR AT 174 ELLIS STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED AS AMENDED, AND ON ROLL CALL, THE FOLLOWING VOTED “AYE”:

Ms. Cheu
Ms. Covington
Mr. King
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED “NAY”:

Ms. Breed

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 76-2007 WAS ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No. 77-2007, Authorizing a First Amendment to the Predevelopment Loan Agreement with Bridge Regional Partners, Inc. a California nonprofit public benefit corporation, to increase the loan amount by \$1,230,834, for a total aggregate amount not to exceed \$3,681,535 for the predevelopment of up to 131 units of low- and moderate-income first-time homeownership housing at 330 Berry Street and 335 Berry Street, also known as Block N4, Parcel 2 and Block N4a, Parcel 2; Mission Bay North Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Speakers: Francisco Da Costa, Espanola Jackson

President Peterson asked Ms. Amy Neches to provide a response to the environmental concerns raised by the public speakers.

Ms. Amy Neches, Senior Project Manager, stated that Mission Bay was landfill, which was started in the 1850s and completed after the 1906 Earthquake. As part of the entitlement process for the adoption of the redevelopment plan for Mission Bay in 1998, the area was thoroughly tested under the supervision of both the State Regional Water Quality Control Board and the City's Department of Public Health, and an overall Risk Management Plan was put into place, which was recorded against the property as approved by the Regional Water Quality Control Board. Ms. Neches stated that the testing resulted in the findings that the soil had lead contamination and mild levels of hydrocarbons, and unlike industrial areas where there was a great deal of manufacturing and therefore more spillage into the soil, the Mission Bay area had been used essentially as rail yards where there were not a lot of industrial spills. The lead contamination was endemic to the South of Market area resulting from the 1906 Earthquake and earlier landfills and was derived from the lead paint on the timbers from the buildings that were put into the landfill. Ms. Neches stated that the Risk Management Plan had a comprehensive plan for dealing with remediation issues in Mission Bay, and that the basic plan was that all soils must be encapsulated, which would include the streets, building slabs and foundations in order to protect the public from exposure to the native soil, and the way in which the Agency dealt with the park areas was to install permanent permeable barriers with several feet of clean fill placed on top. Ms. Neches stated that to the extent that excavation was necessary and soil was removed from Mission Bay, it was required to be taken to a Class-1 landfill pursuant to State regulations; however, the goal in Mission Bay was to balance the use of soil within the site so that for example, there was very little excavation for underground garages and basement spaces would not be seen. Ms. Neches stated that the Agency was confident that issues of remediation were being handled correctly under the continued supervision of the State Regional Water Quality Control Board.

Commissioner Romero put forth a motion to adopt item 4 (e).
Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 77-2007, AUTHORIZING A FIRST AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT WITH BRIDGE REGIONAL PARTNERS, INC. A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$1,230,834, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$3,681,535 FOR THE PREDEVELOPMENT OF UP TO 131 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET, ALSO KNOWN AS BLOCK N4, PARCEL 2 AND BLOCK N4A, PARCEL 2; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 78-2007, Conditionally approving the combined basic concept and schematic design for a 259-unit residential project on Block 13 West in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Chris Dikeakos (Architect)

Speakers: Francisco Da Costa, Espanola Jackson

Commissioner Breed stated that the color concept looked a little dull to her and asked if the architect had the ability to introduce other color schemes into the building's design, like the colonial red panels as an accent, but that was limited to only one side of the building. Ms. Breed asked if the colonial red panels could be included in other areas of the building.

Mr. Chris Dikeakos, architect, stated that they had looked at the color scheme and because of the strong color of the colonial red, they tried to use the colors in two areas of the building, one on the metal canopies that would identify each side of the entries to the building, and also at the tops of the buildings' rooftops to provide color contrast compared to the rest of the building color palette, which was neutral in color.

Commissioner Breed asked if the bone color of the buildings would be prone to the accumulation of dust and dirt.

Mr. Dikeakos stated that the high-rise buildings would have full window-washing facilities to clean all sides of the buildings.

Commissioner Breed requested verification that the cost for window-washing would be part of the homeowners' association dues.

Mr. Dikeakos affirmed that the cost for window-washing would be part of the homeowners' association dues.

Commissioner Breed put forth a motion to adopt item 4 (f).

Commissioner Romero complimented everyone involved in the design of the very attractive structures, and that the building design conformed to the overall master plan for Mission Bay, and that he knew that all of the environmental issues had been addressed when the project was initiated. Mr. Romero seconded Commissioner Breed's motion to adopt item 4 (f).

Commissioner Covington asked if there had been any updates to the Mission Bay Final Subsequent Environmental Impact Report (FSEIR) since its certification in 1998.

Ms. Amy Neches, Senior Project Manager, stated that there had been a few addenda that were presented mostly related to some changes in traffic patterns when the University of California San Francisco (UCSF) project commenced. Ms. Neches stated that the Agency evaluated the EIR along the way to make sure that everything was current each step of the way and every development project would be subject to a range of mitigations that relate to everything from wind studies to ensure comfortable levels of wind, construction mitigations to ensure that there would be dust control, as well as a range of mitigations that would be analyzed for every project, and Bosa Development had agreed to implement all of the mitigation measures, and the proposed project conforms to the original project that was analyzed in the 1998 FSEIR, which continued to be valid for the Mission Bay project.

Commissioner Covington asked Ms. Neches to describe the process of shoring up the soil and the appropriateness of the landfill especially as it relate to seismic events.

Ms. Neches stated that project site was landfill and was part of an area subject to geological activity and the site was studied very thoroughly for geotechnical conditions. The piles used in Mission Bay went down to the bedrock surface, which ranged from 150 to 200 feet in depth, and that all of the buildings in Mission Bay, those that had been built, those under construction, and those proposed had the highest current seismic standards. Ms. Neches stated that the foundations were reviewed by structural engineers and thoroughly reviewed by the Department of Building Inspection based upon current building codes.

Commissioner Covington asked if there was anything else that Ms. Neches wanted to add in order to allay the fears of the general public listening about the proposed project.

Ms. Neches stated that the Agency believed based upon all of the work that had been done for many years that the proposed projects would be safe in the event of an earthquake. Ms. Neches stated that obviously, there would always be issues about seismic safety in San Francisco, but that the Agency believed that the proposed new buildings that would be built to the highest seismic safety building standards would actually be very safe compared to other older development projects in San Francisco.

Commissioner Cheu stated that she liked the building's design especially the varying heights that make for an interesting building. Ms. Cheu asked how the buildings along Channel Street would interact with the road and the waterway.

Ms. Neches stated that the first portion of Mission Creek Park had already been completed, which was about a four-acre park, and staff would be coming before the Commission for the remainder in about two months. Ms. Neches stated that Mission Creek Park was quite a wide park fronted by Channel Street and the buildings would be across the park. The form of the building was generally to put a lower podium structure along the Channel Street to help create a street wall and then to have slender towers that would step up in height and take advantage of the views, creating a dramatic edge as the buildings line Mission Creek north, and the proposed buildings would have create a similar edge on the south. Ms. Neches stated that there would be a series of mid-rise buildings with periodic towers, with some of towers aligned perpendicular to the park and some aligned parallel to the park to create a rhythm and pattern in order to breakup any sense of monotony. Ms. Neches stated that each development project was designed by a different architect, and while the buildings followed the basic form, shape and bulk standards of Mission Bay, each project would look different and have a different architectural expression as well as different building materials providing a variety and gracefulness of building design.

Commissioner Cheu asked what the pedestrian level would look like along Channel Street.

Ms. Neches stated that there would be townhouse units along the street level, which would have individual entryways so that as people walked along the street or viewed from the park, they would not be looking at the parking garage, which would be behind the townhouses, and they would be looking at individual entries. Ms. Neches stated that Channel Street would not be a retail area, which would be established along Fourth Street to create a commercial spine for Mission Bay, serving the residential community. Ms. Neches stated that it would be a little quieter along the park, and the desire was to emphasize the public realm of the park.

Commissioner Singh asked what the total development value of the proposed buildings was when completed. Mr. Singh asked if minority contractors had their fair share in the development. Mr. Singh asked what the price range was for the residential units when completed.

Ms. Neches stated that she would think that the proposed development value would be around \$200 million. Ms. Neches stated that the developer was not in the construction phase yet, but that the developer was working closely with the Agency's Contract Compliance staff on their professional hiring for the engineers and design team, and that they had significantly exceeded the goals of the Agency's Minority Business Enterprise program for diversity. Ms. Neches stated that the market rate units would range between \$700 to \$900 per square foot and the actual pricing of the units would depend on the market when the project would be offered for sale. Ms. Neches stated that the project was scheduled to start construction toward the end of 2007 and construction would take about 18 months to complete, and the units would be available for occupancy around the end of 2009.

President Peterson stated that this was the best looking residential project he had seen so far in Mission Bay and had a very attractive design, and that the proposed buildings were unique to San Francisco and would be a great benefit to the neighborhood and the City.

Commissioner Singh stated that in order to dispel Ms. Espanola Jackson's concerns about building safety, requested verification that the proposed buildings would have strong foundations.

Ms. Neches affirmed that the proposed buildings would have strong foundations and would be built to the highest seismic safety building standards.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 78-2007, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A 259-UNIT RESIDENTIAL PROJECT ON BLOCK 13 WEST IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g) Resolution No. 79-2007, Conditionally approving the combined basic concept and schematic design for a parking garage on Parcel 3 of Blocks 41-43 in the Mission Bay South Redevelopment Project Area, pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Kelley Kahn (Agency staff), Steve Weindell (Gensler Architects)

Speakers: Francisco Da Costa

Commissioner Breed stated she thought that the proposed parking garage had a great design and that it was an extraordinary design for a parking garage and that she wanted to commend the architect and everyone involved in the design. Ms. Breed stated that she appreciated the infusion of the yellow color to give the building some spice and that she looked forward to the completion of the parking garage. Ms. Breed put forth a motion to adopt item 4 (g).

Commissioner Romero seconded Commissioner Breed's motion to adopt item 4 (g) and stated that he would also compliment the design of the parking structure. Mr. Romero stated that the proposed parking garage compared to the one on Third Street, looked like the Taj Mahal in comparison. Mr. Romero stated that although he was not an architect, he was persuaded that the architect had done a great deal of innovation including the landscaping and the green wall. Mr. Romero stated that his recollection when the Agency Commission approved the overall master plan for Mission Bay, there was some difficulty in the project build-out, and it had since revised the parking formula for Mission Bay, and asked if the proposed parking structure was part of the change.

Ms. Kelley Kahn, Assistant Project Manager, stated that the original Mission Bay Plan allowed a maximum and minimum parking requirement of one parking space for each 1,000 square feet of gross floor area of biotech use. That was later amended to allow a slight addition to the parking that allowed two parking spaces for each 1,000 square feet of biotech use up to a cap of 1.7 million square feet of laboratory space, which would come to about 1.5 parking spaces for each 1,000 square feet, and the total number of parking spaces had not been maximized. Ms. Kahn stated that the proposed parking garage project as with all development projects in Mission Bay, would rely on public transit, and within Blocks 41-43, there would be two parking garages with 1,200 parking spaces and that would mean that only 20 to 30% of the total workforce population on those blocks would actually have parking spaces, so that the assumption would be that the majority of the workers would be taking public transit.

Commissioner Singh stated that he certainly agreed with Commissioner Romero that the proposed parking garage looked like the Taj Majal, but that you could not drive a car to the Taj Mahal and had to park two miles away. Mr. Singh asked who would be using the parking garage and how many employees there were in the area.

Ms. Kahn stated that the users of the parking garage would be the employees who worked in the five other non-parking garage structures on Blocks 41-43. Ms. Kahn stated the total number of employees for the whole Mission Bay project was about 30,000 employees, and for Blocks 41-43, there would be between 3,000 to 5,000 employees.

Commissioner Singh asked if 800 parking spaces would be adequate, and how many elevators there were in the proposed parking garage.

Ms. Kahn stated that there would be two parking garages for a total of 1,200 parking spaces on Blocks 41-43, and the goal was actually to not provide parking for all of the employees as many of them would be taking public transit. Ms. Kahn stated that there would be two elevators in the proposed parking garage.

Commissioner Singh asked if two elevators would be adequate to service an 800-car parking garage.

Ms. Kahn stated that two elevators would be adequate to service the proposed 800-car parking garage and that the project architect, Gensler Architects was an expert in parking garage design and their assessment was that two elevators would be sufficient.

Commissioner King stated that he remembered working on the proposed parking garage since the beginning, but that he noticed that the development team had an Asian American and Hispanic representatives, but that there were no African American representatives on the team.

Mr. George Bridges, Contract Compliance Specialist, stated that the development team did not have any African American representatives at this time; however, there would be an opportunity in two areas, one where Butler Enterprises was working with Alexandria Properties on two projects that would be starting shortly, and there would also be an opportunity for inspection services.

Commissioner King urged staff to make sure that African Americans were included in the projects.

Commissioner Covington stated she thought that the proposed parking garage had an attractive design and complimented the architect, but that she was concerned about there being over 800 parking spaces for automobiles, but only 42 spaces for bicycle parking, because it seemed to her that a lot of the people who worked in the biotech industry who did not work very long hours and had a lot of flexibility in their schedule, would be using their bicycles to go to work, which they could take on board Muni. Ms. Covington urged staff to look at ways of increasing the number of bicycle parking spaces, which she thought was not adequate.

Commissioner Cheu asked if the innovative building materials proposed to be used had ever been used in other parking garages in the world, or in other places that could be seen, and based upon those experiences, if there had been any long-term maintenance issues that the Agency should be aware of.

Mr. Steve Weindell of Gensler Architects, stated that actually, the stainless woven mesh-like material was a European material that had been used in buildings and parking structures in Europe. The material had been used in limited applications on parking garages in Los Angeles and also on a parking garage in Las Vegas, but that they were using it in a limited, almost decorative fashion and not for the entire building as they were proposing. Mr. Weindell stated that with regard to the material's durability, the material was specifically chosen for its durability and easy maintenance and the stainless steel would continue to look very good for many years.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g), RESOLUTION NO. 79-2007, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A PARKING GARAGE ON PARCEL 3 OF BLOCKS 41-43 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Resolution No. 80-2007, Authorizing a Tax Increment Loan Agreement with 275 10th Street Associates, L.P., a California limited partnership, in an amount not to exceed \$5,250,000, in conjunction with the development of approximately 134 units of affordable rental housing and at 275 10th Street for very low-income homeless individuals and adopting environmental findings pursuant to the California Environmental Quality Act; Citywide Tax Increment Housing Program

Presenters: Teresa Yanga (Mayor's Office of Housing)

Speakers: Francisco Da Costa, Raymon Smith

Commissioner Romero stated that the specific matter before the Commission was the approval of a tax increment loan agreement to do the development and also the adoption of environmental findings, but not the design approval of the proposed project, and asked if the design approval would come back in the future for Commission consideration.

Ms. Teresa Yanga of the Mayor's Office of Housing, stated that it was her understanding that the project's design approval would not be brought to the Agency for review and consideration.

Executive Director Rosen stated that the proposed project was not within a redevelopment project or survey area and the land use entitlements would be through the City's Planning Department, which had already reviewed the project.

Commissioner Romero requested verification that the design concerns raised by members of the public were not under the Agency's purview.

Ms. Yanga affirmed that the design consideration was not before the Agency Commission, but that she could address the concerns that were raised. Ms. Yanga stated that each unit would have its own kitchen with a full-size refrigerator and private bathroom and that Episcopal Community Services actually operated a Single Room Occupancy building on Eighth and Natoma Streets, so they were very familiar with the operation of such units.

Commissioner Romero put forth a motion to adopt item 4 (h).

Commissioner Breed stated that she could not support the proposed project because she did not see why the Agency should approve over \$5,000,000 in loan monies without having design review and approval.

Commissioner Cheu stated that one of the concerns raised was the supportive services for the proposed project and asked staff to address the matter.

Ms. Yanga stated that the plan was to have wrap-around supportive services to be provided similar to the Plaza Apartments, which included clinical space on the ground floor with social workers and case managers. Ms. Yanga stated that they were working closely with the Department of Human Services (DHS) to develop the supportive services program since a portion of the funding would come from the State Multifamily Program funds,

specifically the supportive housing component, which had very strict guidelines as what supportive services would be provided.

Mr. Phil Clark of Episcopal Community Services, stated that they prided themselves with the projects they built and that their goal was to build homes that would include the supportive services around that, and that their current agreement with the DHS was to have six qualified social workers on staff with a licensed social worker as program manager so that the residents would have access to the support services. Mr. Clark stated that currently, they the office designed for 10 offices and that they were currently negotiating for a medical office to be put in place.

Commissioner Covington requested verification that the typical unit would be as depicted on the schematic drawing for the proposed project, and asked what the square footage was for each unit and if the units would be handicapped accessible.

Ms. Yanga stated that all of the units would be as depicted on the schematic drawings, and that each unit would be 350 square feet. Ms. Yanga stated that at a minimum, all of the units would be adaptable, with 5 to 10% of the units to be fully handicapped accessible.

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (h).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 80-2007, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH 275 10TH STREET ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$5,250,000, IN CONJUNCTION WITH THE DEVELOPMENT OF APPROXIMATELY 134 UNITS OF AFFORDABLE RENTAL HOUSING AND AT 275 10TH STREET FOR VERY LOW-INCOME HOMELESS INDIVIDUALS AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Ms. Cheu
Ms. Covington
Mr. King
Mr. Romero
Mr. Singh
Mr. Peterson

AND THE FOLLOWING VOTED “NAY”:

Ms. Breed

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 80-2007 WAS ADOPTED.

- 4 (i) Workshop on status of Agency’s Affordable Homeownership Portfolio; all redevelopment project areas

Presenters: David Sobel (Agency staff)

Speakers: Francisco Da Costa, Desiree Rutherford, Raymon Smith, Espanola Jackson

Commissioner Covington referred to the slide depicting the “Active Loans” pie chart, and stated that she wanted to point out that this was a graphic representation where there were only 64 active loans in the Western Addition after over 40 years of Agency involvement. Ms. Covington stated she thought that the number was extremely low and that she would like the Agency to brainstorm to figure out ways to boost that number, because the Agency’s affordable homeownership portfolio in the Western Addition should include hundreds of limited-equity program participants. Ms. Covington stated that there were thousands of certificate holders out there and that she would like the Agency to have a discussion at some point about whether or not certificate of preference holders could be considered as a protected class for the Agency’s affordable homeownership program, so that when the Agency built its last few housing projects, certificate holders would be the only ones in that pool of eligible participants so that they would not be competing with everyone else who did not come from the Western Addition, but just for the people displaced from the Western Addition. Ms. Covington stated that she would like to have that discussion fairly soon. Ms. Covington asked how staff intended to update the affordable housing website.

Mr. David Sobel, Senior Development Specialist, stated that additional information for lenders would be added to the affordable housing website, and that staff was working through a couple of very difficult issues related to loans and trying to save the Agency’s homebuyers additional housing costs over time, which related to private mortgage insurance. Mr. Sobel stated that staff was planning to hold workshop training for potential homebuyers, and that the website was continually being updated every time there were available housing units that come on line and would start the marketing process. Mr. Sobel stated that the website would also be

maintained regularly and to add more pages to the site to simplify where people would find the information because at the present, some of the voluminous information was a bit cumbersome for people to navigate, and make the website more user-friendly.

Commissioner Covington stated she thought that the website needed to be upgraded to make it more user-friendly and that it would be nice to see some photographs because all there was at the present was just text descriptions of the properties, and in this age of high-technology, one could take a virtual tour of the housing developments, so she would urge staff to include photographs of the housing developments that would be available. Ms. Covington asked if there was opportunity for people to sign up if they were interested in future homeownership opportunities.

Mr. Sobel stated that the website included an on-line form for people to fill out and sent to Agency administrative staff, which would then be entered into a database and they would be included in the Agency's mailing list for every homeownership opportunity.

Commissioner Covington stated that with regard to certificate holders, asked if the Agency's website had been updated so that people who were aware of certificate holders could log that information in and inform the Agency and update its database.

Mr. Sobel stated that staff had made recent changes to the Agency's affordable housing website so that on the very front page, people could click on a specific link for the Agency's Certificate of Preference Program, which would take them to the resources page, which had not only the program description, but also now, the "frequently asked questions and answers" with contact information of the direct Agency staff responsible for the program, but that currently, people would not have the ability to enter information on-line because there were a lot of questions to be asked of potential certificate holders to verify whether or not they were on the Agency's list or not. Mr. Sobel stated that staff could explore adding another form on that webpage for certificate holders to send information to the Agency, but that the Agency's intent was for people to get information from the website about the program, and if they had further questions, they would have a direct staff contact to call.

Commissioner Covington stated that if she was interested in a property like Buchanan Lane, which now occupied the former supermarket site, asked when she saw the listing on the Agency's website, if she would be able to just click on the listing and be connected to the Buchanan Lane website, and if the Buchanan Lane project was up on the internet.

Mr. Sobel stated that Buchananlane.com was up on the internet and the link was just added to the Agency's website earlier in the day, but that the link only had general information as well as an on-line form for people to fill out with their contact information.

Commissioner Covington stated that these links to development websites should be standard on the Agency's website because all of the developers had websites now, and the Agency should standardize its links to their websites in order to provide as much information to the public. Ms. Covington asked staff to speak about what the process would be for the inheritance of the properties.

Mr. Sobel stated that if the heir of the original homeowner was income eligible at that time of the death of the original owner, the heir would be able to assume ownership and occupancy of the home as a matter of course. If the heir was not income eligible, they would simply get the proceeds from the sale that would occur after the death of the original owner.

Commissioner Covington asked if the 45-year clock would start over again.

Mr. Sobel stated that the way the documents were drafted right now, the 45-year clock would start over again.

Executive Director Rosen stated she wanted to clarify that the certificate holders right now did not compete against others, so that for example, if there was a 12-unit housing opportunity and there were 12 eligible certificate holders, nobody else would have an opportunity, and that it would essentially be a lottery within a lottery so that the certificate holders would rise to the top of the list with first preference for all the available units. Ms. Rosen stated that she would also point out that the Western Addition homeownership portfolio listed were the loans under the Agency's program, but that there were also developed in the 1970s and 1980s through the Department of Housing and Urban Development (HUD) programs, a number of cooperative developments with homeownership opportunities, but not under the Agency's program, as well as a couple of other homeownership developments financed through the Mayor's Office of Housing, which governed the resale of the units. Ms. Rosen stated that was not the total number of affordable homeownership opportunities within the neighborhood, but was the number of units within the Agency's program.

Commissioner Covington stated that she was most concerned about the number of units within the Agency's program since it was the Redevelopment Agency that razed the Western Addition.

Commissioner Cheu stated she thought that staff gave a very good and informative presentation especially for her as a new Commissioner. Ms. Cheu asked about the homeowners' association fees and if there were any safeguards in the program that if the fees increased in the future, that the homeowners would not have to bear the increased costs.

Mr. Sobel showed a slide with an example of what the effect of homeowners' dues have on the affordable price at the outset, and stated that one example showed a housing unit with a lower homeowners' dues of \$300 and another with higher dues of \$600, and this unit would be affordable to a particular household both of whom would have the same assumed monthly housing cost of \$1,713 a month. That available month housing cost to start with, would be accounted for to accommodate all of the associated housing costs, so that in the first example with a \$300 homeowners' association assessment, that would leave a lot more money for the mortgage payment at about \$1,100 that would have a total purchase price of \$191,000 with a supportable mortgage and the down payment. In the example with the higher homeowners' dues, the monthly mortgage payment would be reduced accordingly and therefore, with much less money to be available to support a mortgage because of a much lower purchase price. Mr. Sobel stated that the Agency was accounting for the homeowners' association dues at the outset, and that there would be risks in increasing homeowners' association dues overtime and recently, there was State legislation proposed relating to placing a cap on the increases in homeowners' association dues and special assessments for below market-rate homes in the State. Unfortunately, at the present time, to the knowledge of Agency staff, there was really no way to enforce a cap on homeowners' association dues, because the State Legislature regulated that through the Department of Real Estate. Mr. Sobel stated that there was no mechanism for implementing different fees for one population within a building that was getting the same exact services as the other people in the building. Mr. Sobel stated that there was a definite risk in the program with what would happen at resale and again, there were protections in place if a sale occurred, to at least make sure that people's down payment was covered even if the new purchase price was lower, but that it was a definite issue that ongoing increases in homeowners' association dues, which would probably occur on a yearly basis, could be a problem for some of the homeowners. Mr. Sobel stated that Agency staff did emphasize to homeowners that if they do start to find themselves in financial difficulty, to contact Agency staff immediately so that they could access budget and credit counseling including refinancing to get a lower interest rate.

Commissioner Cheu asked if the Agency had any funds for special one-time assessments if something happened with the project that would require additional funds.

Mr. Sobel stated that the Agency in the past, had assisted individual homeowners who had gotten into financial difficulty either through their homeowners' association dues or their mortgage payment, and the Agency's ability to provide financial assistance was limited for cases where there had been a notice of default. Mr. Sobel stated that the Agency had in its documents, the ability to cure a default, so the Agency encouraged homeowners to get in touch with the Agency at the earliest sign of financial difficulty.

Commissioner Cheu stated that a significant part of the financial benefits was the tax benefits, and asked if the Agency provided counseling and education about realizing the tax benefits and taking advantage of it.

Mr. Sobel stated that the Agency did disclosure presentations to homebuyers after they have selected their unit and have qualified to purchase, and discussed specific items such as the bank sending them a year-end statement with how much interest they paid for that year that would be deducted from their income, and advised them to keep records of real estate property taxes that they paid. Mr. Sobel stated that in the past, the Agency had required new homebuyers to go through a basic homeownership counseling workshop, but that the difficulty with requiring that at the front end, was the concern that there would be a deluge upon housing counseling organizations at once. Mr. Sobel stated that staff was discussing this matter recently, and that he thought that the Agency would be re-implementing the requirement that new homebuyers obtain a certificate from a counseling workshop prior to closing the purchase under the Agency's program.

Commissioner Cheu asked if staff had any thoughts as to why the Hispanic participation rate in the Agency's program seemed relatively low, because she was surprised given the success of organizations like Mission Economic Development Agency (MEDA) in the homeownership counseling area.

Mr. Sobel stated that he did not have any specific answers to the question, other than to some extent, the demographics of the recent homebuyers reflected the larger demographics of the City, although he was not certain what the percentage of Hispanics were in the City. Mr. Sobel stated he did not know why the participation might be lower than the overall demographics would indicate.

Commissioner Cheu thanked Mr. Sobel for his answers and the great presentation.

Commissioner Breed stated that she did not expect such a general presentation on the Agency's Affordable Homeownership Program, and that she expected a little more detail around the limited-equity component of the

program, which she was concerned with. Ms. Breed asked if the homeowners could take equity from the home.

Mr. Sobel stated the homeowners could take equity from the home with what was called a cash-out refinance under stipulated circumstances, first, somebody could refinance to obtain a lower interest rate on their mortgage in order to save money, secondly, they could refinance at anytime and take cash out for principal that they had already paid on their mortgage, so that if they started out with a \$100,000 mortgage and they had paid \$10,000, they could refinance and take the \$10,000 in equity, and thirdly, a homeowner could refinance and take out half of that build-up in equity that had occurred because of increase in the initial affordable price of the home, and homeowners could do this for eligible purposes, which would be capital improvements, medical expenses of a household member and dissolution of a marriage or a domestic partnership.

Commissioner Breed requested verification that a homeowner under the Agency's program could not take equity from their home like any regular person could to use it for whatever purpose they would like to because there were restrictions.

Mr. Sobel stated that there are restrictions, which he mentioned, under the Agency's program, in part, to protect homeowners from getting into too much debt, given what has occurred in the past, where people were taking on more debt and taking cash out from their equity to pay for consumer debt, and the Agency's program was designed to have those limitations for the homeowners.

Commissioner Breed requested verification that certificate holders could only utilize their certificates for affordable housing units and not for market-rate housing units.

Executive Director stated she believed that would depend on the contract with the developer of the market-rate units. If units were being sold at market rate and if a certificate holder that could afford that unit, there would usually not be the same kind of competition for market rate units as affordable units, and a certificate holder who was notified would usually be able to access a unit if they were financially eligible to purchase the market rate unit because there would not usually be a lottery and the units would ordinarily be sold on a first-come, first-served basis for eligible people.

Commissioner Breed asked if there were more certificate holders than affordable units, what would happen if there were 14 certificate holders and there were only 12 affordable housing units.

Executive Director Rosen stated that the first 12 certificate holders that came up in the lottery that qualified would get the units.

Commissioner Breed stated that the reason why she wanted the workshop had to do with some concerns she had received from some folks who wanted to purchase property and also their interaction with the San Francisco Housing and Development Corporation (SFHDC), specifically the communication around the rules and regulations, and this was not to say that SFHDC was not doing a good job, but that the guidelines were often times very confusing to people and also seemed to be burdensome. Ms. Breed stated she did not think she received a thorough understanding of the technicalities about the program and that she would prefer that the Agency forward a letter requesting specific concerns from groups like SFHDC so that they could provide the Agency with feedback on the problems they encounter or suggested solutions around the current program elements. Ms. Breed stated that would provide her with what she needed to make the best informed decision as to whether or not the Agency's program should be changed. Ms. Breed requested that her name be added to mailing list for the newsletter. Ms. Breed asked that with regard to the 5% down payment, if potential homebuyers were required to go through the homeowner education class in order to be selected as a possible homebuyer.

Mr. Sobel stated that at time in the past, the Agency had required the homeowner education class, but that recently, homebuyers were not required to take the class, and staff was planning to institute the requirement again.

Commissioner Breed asked if the class requirement assisted potential homebuyers with some ability or ways to try and save the 5% down payment and if that was discussed at the class or workshop.

Mr. Sobel stated that both of the Agency's and Mayor's Office of Housing websites, as well as presentations at community workshops, discussed what the other housing counseling organizations throughout the City, including Asian Inc., MEDA, SFHDC and Consumer Credit of San Francisco, and especially for the Hunters Point Shipyard, there was a monthly outreach program that had been going on for two years now, and the main intent at those workshops was to send the message was now was the time to prepare before the homes were built in the next two to three years. Mr. Sobel stated that the Agency encourage people to go to the housing counseling organizations early and for them to start looking at all of the requirements that they would need to qualify, including the down payment.

Commissioner Breed stated she felt that there were a lot of people with good credit who pay their rent and earn decent salaries, but may not have a significant down payment available. Ms. Breed stated that she would like the Agency to explore other options that could provide that type of

assistance and also consult with the housing counseling groups that the Agency worked with, to get suggestions on the particular subject of the down payment. Ms. Breed stated that she needed more information so that the Agency could think about ways to lower the Area Median Income (AMI) further under the Agency's program.

Mr. Sobel stated that the average income that the Agency was serving for Agency-assisted projects, was about 85% of AMI, but that average income was a little misleading because the Agency was serving often times, a range of 70 to 100% of AMI, and even the 70% AMI pricing in the way the Agency calculated affordability, actually end up serving households earning significantly lower than that at 50% AMI, which would be \$30,000 annual income for a single person, and the Agency had that participation for the 70% AMI, and that as the Commission was probably aware, for the Hunters Point Shipyard, 58 of the inclusionary homes planned there, would be affordable at 45% of the Area Median Income.

Commissioner Breed stated she thought that was great, but that one of the biggest problems with the City was that the low-income units were concentrated in one area, and she would to see such housing units to be more spread out than just the Hunters Point Shipyard. Ms. Breed stated that in Mr. Sobel's presentation, he mentioned that there was about 34% of the participants in the program who actually indicated their ethnicity, and asked if that was a fair representation of the overall program based on Mr. Sobel's interaction with the participants, because she saw the situation much differently.

Mr. Sobel stated he did think that the database numbers, which he was going by, did accurately depict the historic portfolio, although there had been an upswing in Asian American participation in the last couple of years. The analysis was not just of the most recent one or two housing projects, and that the Agency relied on self-identifying, and he would rather not be in a position to look at somebody's face or name and decide what ethnicity they were.

Commissioner Breed stated that she understood, but that under the current program, she did not see a lot of African Americans receiving the housing units and that it had been some time ago since African Americans received such housing units. Ms. Breed stated that she did not support what the Agency was doing around the inheritance component of the program, and that she thought that if a child of a person passes away that was benefiting from the program, that child should just be able to take over the mortgage payments if they had the necessary income without going through a tedious process, because there just seemed to be more confusion and problems with that. Ms. Breed asked if staff could look at changing the inheritance provisions of the program to make it easier for people.

Mr. Sobel stated that the current program was written so that the heir could automatically assume the occupancy and ownership of the home if he or she was income eligible, so that if it was an 85% AMI designated home when their parent bought the unit, the child would have to qualify at 85% AMI in whatever year this would be in order to assume ownership and occupancy of the home, and this was mandated by California law.

Commissioner Breed asked what amount of money they would need to come up with.

Mr. Sobel stated that they would not need to come up with any money and they would just assume the mortgage payment as part of that process or refinance if they could get a better deal.

Commissioner Breed stated she thought the Agency should take into consideration lowering the income eligibility requirement for that specific situation. Ms. Breed stated that perhaps, when she receives suggestions from the housing counseling organizations about these issues, she could provide feedback to staff on possible changes to the program.

Commissioner Romero thanked Commissioner Breed for asking for the workshop and thought that it was time well spent, and that this was the third such workshop he had participated in over the years he had been on the Commission. Mr. Romero stated that every time he heard about the Agency's Affordable Homeownership Program, the more he was sold on it, and that was not always the case because there were so many problems with the program early on, because it was never explained to people how the program worked. Mr. Romero stated he knew that the Agency had made a lot of adjustments over the years and recalled when Mr. Olson Lee presented the first workshop about how the mortgage worked and remembered how complicated the process was, but that he (Mr. Romero) was convinced that the Agency should have such a program. Mr. Romero stated that Mr. Sobel's presentation was the best one so far, because it was general and gave an overview for Commissioners not familiar with the program, and that it would be a good idea to follow up with suggestions and feedback in order to get a better understanding of one of the most complex portion of the Agency's housing portfolio. Mr. Romero stated that there was a time when he and other Commissioners felt that the program should not be there because of all the problems and the fact that the Agency's resources could be better used in developing affordable rental housing, but that Agency staff convinced him that an affordable homeownership program was needed to provide greater housing opportunities for people. Mr. Romero stated he thought that when the Agency was trying to make homeownership housing available to the population the City now had, there would always be economic hurdles because of the high cost of housing in the City as well as

the high cost of living. Mr. Romero stated that the Commission had seen people who had defaulted in their mortgages and that in his opinion, staff had dealt with those situations in a fair and equitable manner and that staff was to be applauded for their efforts especially when staff was criticized. Mr. Romero stated it seemed to him that the program had improved over the years as the Agency had dealt with the realities of making such homes available. Mr. Romero referred to the chart that depicted the affordable housing stock and its locations, and stated that he was under the impression that when the program was started, the housing building opportunities at the time, were more toward the Bayview Hunters Point area, which might explain why there were more such units in that area than the Western Addition, which was essentially built out over the last 30 plus years. Mr. Romero asked when the Agency's Affordable Homeownership Program was started.

Mr. Sobel stated he believed that the Agency's homeownership program was began in the early to mid-1980s, and that he understood that a lot of the buildable sites starting at that time, were more in the Bayview Hunters Point area.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Francisco Da Costa, Espanola Jackson, Raymon Smith, Christopher Muhammad, Enyese Joshua, Octavio Solorlano, Adela Flores-Bolanos, Dr. Eddie Welbon

7. **REPORT OF THE PRESIDENT**

- President Peterson stated that he wanted to inform his fellow Commissioners that he and Commissioner Breed were working on the agenda for the July 24th Commission retreat.
- President Peterson stated that he would work with the Commission Secretary to facilitate the new regulations surrounding the prohibition of using bottled water during Commission meetings.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen reported that the Board of Supervisors earlier in the afternoon, did approve the Agency's fiscal year 2007-2008 budget with reductions in the administrative expenses, which was reasonable that the Agency could absorb, and an informational memorandum would be prepared for the Commission's information.
- Informational memorandum regarding the planning effort for the India Basin Shoreline designated as Area "C," which was not included in the original Bayview Hunters Point survey area boundaries because additional planning was necessary. Ms. Rosen stated that the Agency had embarked on the planning efforts with Supervisor Sophie Maxwell, the Planning Department and the Bayview Hunters Point Project Area Committee, and the first community workshop would be held on Wednesday August 1st, from 6:00 to 8:00 p.m. at the Our Lady of Lourdes Church on Hawes Street between Innes Avenue and Hunters Point Boulevard, and people can call the Agency for more information.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Breed stated that Commissioner King contacted her about some benches in the plaza area near the Safeway, and would suggest putting the matter on the next agenda to look into removing the benches, and for staff to provide some historical background and the Agency's ability to remove the benches.
- Commissioner Breed stated she would also like to see on the next agenda, was a workshop specifically on the environmental issues in the Bayview Hunters Point, because she had some serious concerns around the information she was being provided with as there appeared to be continuous violations and that she would like to understand what the penalties would be for such violations. Ms. Breed stated that in moving forward, she would like to see a specific timeline prepared with detailed information and a thorough discussion, so that the Agency could take a formal position on the issue.
- Commissioner Singh stated he would also like the removal of the benches on the plaza near Safeway be calendared on the agenda as suggested by Commissioner Breed.
- Commissioner Covington stated that the environmental issues were a continuing horror and so many people had come to the Commission to ask that something be done, so a thorough public hearing was necessary, because she was really dismayed by the ongoing complaints, and as part of that, she would like to know what measures the Agency had taken to

make sure that mitigation efforts had been underway and what kind of communication had gone from the Agency to Lennar to delineate the kinds of remediation that would be expected.

- Commissioner Covington stated she would like to know whether or not the position of Commission Secretary had been posted.

Executive Director Rosen stated that the Commission Secretary position had not yet been posted, and the Agency's normal practice was to post the position internally for one week and then advertise, so the position could be posted with several months to do so.

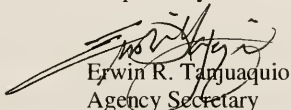
- Commissioner Romero stated that he did not know anything about the position being vacated and posted, but that he would appreciate if the Executive Director would inform him, because he did not know if it was appropriate to announce it publicly.
- Commissioner Romero stated with regard to the environmental workshop concerning the Hunters Point Shipyard, he would like to be included as part of that workshop, where else this issue was being considered within the City government, as it seemed to him when he read newspaper articles about the issue, some indication that the Agency was not the only part of City government that had been addressed with the issue. Mr. Romero stated that he would like to know what had been presented and asked for and any actions taken or responses provided so that he could understand why the matter was brought back before the Agency Commission.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:00 p.m.

Respectfully submitted,



Erwin R. Tanguaquo
Agency Secretary

APPROVED:

August 7, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
7TH DAY OF AUGUST 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of August 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:07 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

And the following were absent:

Francee Covington, Vice-President

Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

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3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE JUNE 19, 2007 COMMISSION MEETING

- 3 (a) Resolution No. 25-2007, Authorizing the issuance of a Request for Proposals for the development of approximately 18 to 20 units of affordable housing for low- and moderate-income first-time homebuyers at 1210 Scott Street (Block 0729, Lot 044); Western Addition Redevelopment Project Area A-2

President Peterson stated that he would recommend a continuance of this matter.

Speakers: Ace Washington, Randall Evans

Commissioner Breed put forth a motion to continue item 3 (a), but that she did not want to specify a particular meeting date because she was not sure if the matter would be ready by the next Commission meeting.

General Counsel James Morales stated that the proper motion was a motion to table the matter without specifying a continuance date.

Commissioner Singh seconded Commissioner Breed's motion to continue item 3 (a).

MOTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 3 (a) RESOLUTION NO. 25-2007, AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF APPROXIMATELY 18 TO 20 UNITS FOR LOW- AND MODERATE-INCOME FIRST TIME HOMEBUYER AT 1210 SCOTT STREET (BLOCK 0729, LOT 044); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE TABLED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting July 17, 2007
- 4 (b) Resolution No. 81-2007, Authorizing a First Amendment to the Owner Participation Agreement with Sutter Place, LLC, a California limited liability company, to revise the performance schedule for the development of a mixed-use project that includes 128 for-sale residential condominium units at 1355-1375 Sutter Street, (Assessor's Block 0690, Lot 016); Western Addition Redevelopment Project Area A-2

- 4 (c) Resolution No. 82-2007, Authorizing a Personal Services Contract with Grace S. Yip, a sole proprietor, in an amount not to exceed \$30,000, to perform certain accounting consulting services from August 7, 2007 to January 31, 2008
- 4 (d) Resolution No. 83-2007, Authorizing a Memorandum of Agreement with Department of Toxic Substances Control, State of California, and the City of Los Angeles to participate in the California Brownfields Cleanup Revolving Loan Fund Program; Bayview Hunters Point Redevelopment Project Area

Consent Agenda items 4 (b) and (d) were withdrawn from the Consent Agenda at the request of members of the public.

The Commission voted on consent agenda items 4 (a) and (c).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JULY 17, 2007, AND 4 (c) RESOLUTION NO. 82-2007, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH GRACE S. YIP, A SOLE PROPRIETOR, IN AN AMOUNT NOT TO EXCEED \$30,000, TO PERFORM CERTAIN ACCOUNTING CONSULTING SERVICES FROM AUGUST 7, 2007 TO JANUARY 31, 2008, BE ADOPTED.

- 4 (b) Resolution No. 81-2007, Authorizing a First Amendment to the Owner Participation Agreement with Sutter Place, LLC, a California limited liability company, to revise the performance schedule for the development of a mixed-use project that includes 128 for-sale residential condominium units at 1355-1375 Sutter Street, (Assessor's Block 0690, Lot 016); Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff)

Speakers: Ace Washington

Commissioner Romero stated that the Commission approved the Owner Participation Agreement in January 2006, and that the specific matter before the Commission was simply to modify the performance schedule. Mr. Romero stated that it was not a question of whether or not the project should move forward, and the matter before the Commission was a minor issue of revising the performance schedule, which the Commission did routinely for various development projects. Mr. Romero stated that he had not heard anything that would convince him not to go ahead with staff's recommendation for the Commission to revise the performance schedule. Mr. Romero put forth a motion to adopt item 4 (b).

Commissioner Cheu inquired about the process and asked if the proposed project would come back to the Commission after the proposed extension to October 2007.

Executive Director Rosen stated that Sutter Place was a private development that was not selected by the Agency, nor owned or financed by the Agency, and the Commission's role was to approve the entitlement under the Western Addition A-2 Redevelopment Plan. Ms. Rosen stated that the developer was requesting an extension of the performance schedule because they had not finalized the construction financing to proceed with the development, and if the Commission was to approve the extension, the developer would comply with the revised performance schedule. Ms. Rosen stated that other than the land use approval by the Commission, the Agency had no involvement in the project, and staff was recommending approval of the requested extension.

President Peterson seconded Commissioner Romero's motion to adopt item 4 (b).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. PETERSON, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 81-2007, AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH SUTTER PLACE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE PERFORMANCE SCHEDULE FOR THE DEVELOPMENT OF A MIXED-USE PROJECT THAT INCLUDES 128 FOR-SALE RESIDENTIAL CONDOMINIUM UNITS AT 1355-1375 SUTTER STREET, (ASSESSOR'S BLOCK 0690, LOT 016); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (d) Resolution No. 83-2007, Authorizing a Memorandum of Agreement with Department of Toxic Substances Control, State of California, and the City of Los Angeles to participate in the California Brownfields Cleanup Revolving Loan Fund Program; Bayview Hunters Point Redevelopment Project Area

Presenters: Isabella Wong (Agency staff)

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 83-2007, AUTHORIZING A MEMORANDUM OF AGREEMENT WITH DEPARTMENT OF TOXIC SUBSTANCES CONTROL, STATE OF CALIFORNIA, AND THE CITY OF LOS ANGELES TO PARTICIPATE IN THE CALIFORNIA BROWNFIELDS CLEANUP REVOLVING LOAN FUND PROGRAM; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

Items 4 (e) and (f) were presented together and acted upon separately.

- 4 (e)** Resolution No. 84-2007, Approving the schematic design for the proposed phase two improvements to Pier 40 at South Beach Park and Harbor, located at Townsend Street and The Embarcadero; Rincon Point-South Beach Redevelopment Project Area
- 4 (f)** Resolution No. 85-2007, Authorizing execution of a First Amendment to the Personal Services Contract with Tom Eliot Fisch, a California corporation, to provide architectural and engineering services for construction documentation through completion of construction of phase two improvements to Pier 40 in an amount not to exceed \$474,392, plus a contingency of \$30,000 for a total aggregate amount not to exceed \$783,199; Rincon Point-South Beach Redevelopment Project Area

Presenters: James Nybakken (Agency staff), Douglas Tom (Tom Eliot Fisch)

Commissioner Romero stated that the schematic design looked good to him and put forth motions to adopt items 4 (e) and (f).

Commissioner Singh seconded Commissioner Romero's motions to adopt items 4 (e) and (f).

Commissioner Cheu stated that the schematic design looked very nice and that she remembered hearing about outreach efforts by the youth sailing groups to community groups to provide access to low-income youth, and requested an update.

Mr. James Nybakken, Harbor Services Manager, stated that the yacht club held its first weekly day camp about a week ago with about 16 youth involved, and that there was a lot of outreach to the surrounding communities. Mr. Nybakken stated that another day camp was scheduled in the next week and that he would provide the Commission with a report after that.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 84-2007, APPROVING THE SCHEMATIC DESIGN FOR THE PROPOSED PHASE TWO IMPROVEMENTS TO PIER 40 AT SOUTH BEACH PARK AND HARBOR, LOCATED AT TOWNSEND STREET AND THE EMBARCADERO; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 85-2007, AUTHORIZING EXECUTION OF A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH TOM ELIOT FISCH, A CALIFORNIA CORPORATION, TO PROVIDE ARCHITECTURAL AND ENGINEERING SERVICES FOR CONSTRUCTION DOCUMENTATION THROUGH COMPLETION OF CONSTRUCTION OF PHASE TWO IMPROVEMENTS TO PIER 40 IN AN AMOUNT NOT TO EXCEED \$474,392, PLUS A CONTINGENCY OF \$30,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$783,199; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (g) Resolution No. 86-2007, Authorizing a Letter Agreement with the San Francisco County Transportation Authority in an amount not to exceed \$350,000 to complete a project study report for the realignment of the Folsom Street off-ramp consistent with the Transbay Streetscape and Open Space Plan; Transbay Redevelopment Project Area

Presenters: Mike Grisso, Kevin Masuda (Agency staff)

Commissioner Singh put forth a motion to adopt item 4 (g). Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 86-2007, AUTHORIZING A LETTER AGREEMENT WITH THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY IN AN AMOUNT NOT TO EXCEED \$350,000 TO COMPLETE A PROJECT STUDY REPORT FOR THE REALIGNMENT OF THE FOLSOM STREET OFF-RAMP CONSISTENT WITH THE TRANSBAY STREETScape AND OPEN SPACE PLAN; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Cheryl Smith, Braj Norris

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen reported that the ribbon-cutting ceremony for the grand opening of Crescent Cove Apartments, an affordable rental housing development in Mission Bay North, was scheduled on Thursday, August 16, 2007, from 11:00 a.m. to 1:00 p.m. at 420 Berry Street. Ms. Rosen stated that Commission Secretary Erwin Tanjuaquio was taking RSVPs for Commissioners.
- Executive Director Rosen stated that the Agency was just notified that the Mission Creek Senior Community, also in Mission Bay, which had already won several awards, was up for a national award as the best urban infill development project in the Affordable Housing Finance magazine national program.

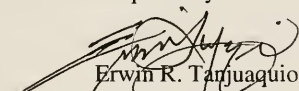
9. COMMISSIONERS' QUESTIONS AND MATTERS None.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Ms. Cheu, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:09 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

August 21, 2007

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
14TH DAY OF AUGUST 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 1:30 p.m. on the 14th day of August 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 1:35 p.m. Mr. Peterson informed the public that after the special meeting is called to order, the Commission will recess and convene to a closed session meeting. Following adjournment of the closed session meeting, the Commission will reconvene to open session to discuss matters of new business on the agenda, with opportunity for public comment on the agenda items. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond to issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

The Commission recessed to convene the closed session meeting at 1:38 p.m.

3. **CLOSED SESSION**

- 3 (a) Pursuant to Government Code § 54957 on personnel, with respect to the position of Executive Director

The closed session meeting adjourned at 2:38 p.m., and the open session was reconvened at 2:40 p.m.

4. **MATTERS OF UNFINISHED BUSINESS:** None.

5. **MATTERS OF NEW BUSINESS:**

Items 5 (a) and (b) were called together and acted upon separately.

- 5 (a) Resolution No. 87-2007, Appointing Fred Blackwell as Executive Director of the Redevelopment Agency of the City and County of San Francisco
- 5 (b) Resolution No. 88-2007, Authorizing execution of employment agreement with Fred Blackwell for the position of Executive Director of the Redevelopment Agency of the City and County of San Francisco

Speakers: Alexis Gonzales, Vincent Chao, Minister Christopher Muhammad, Rev. Amos C. Brown, Randall Evans, Rev. Arnold Townsend, Ace Washington

Commissioner Breed stated that she was really proud to be on the Agency Commission to have the opportunity to move the items in support of Mr. Fred Blackwell as the new Executive Director for the San Francisco Redevelopment Agency. Ms. Breed stated that this was a great day and that she hoped that everyone listening understood the significance of Mr. Blackwell's appointment and that the Agency would be moving forward with a person of great integrity, a consensus builder, a person with an extraordinary reputation in so many ways in terms of his work involvement and personal life. Ms. Breed stated that Mr. Blackwell is a man who is committed to his family and his community and to putting people in the community first and that he understood that community was about the people who made it up, and not the infrastructure. Ms. Breed stated that the Commission was bringing on someone who she was honored to be part of hiring, assuming that her fellow Commissioners were in support, because

Mr. Blackwell had thoroughly impressed her since she had known him, and that she was really happy and was looking forward to a new day, that she was looking forward to closing out the Western Addition appropriately, dealing with the Bayview Hunters Point area with the respect that it deserved, and moving forward with the Mid-Market Survey Area and all of the work that was ahead of the Agency. Ms. Breed stated that she had every bit of confidence in Mr. Blackwell and his ability to handle the position of Executive Director with integrity and a solution-oriented approach to address the real problems and focus on the big picture in order to make things better. Ms. Breed put forth motions to adopt items 5 (a) and (b).

Commissioner Singh stated that he was very satisfied after over an hour in closed session where Mr. Blackwell answered all of the Commissioners' questions, and that he (Mr. Singh) was very much impressed with Mr. Blackwell. Mr. Singh seconded Commissioner Breed's motions to adopt items 5 (a) and (b).

Commissioner Cheu stated that she had the opportunity to work with Mr. Blackwell for a little bit, when she served on the Mayor's Office of Community Development's (MOCD) Citizens Committee on Community Development, and that her impression there was that Mr. Blackwell is a man of really high integrity, strong leadership, very passionate about improving local communities, and most importantly, someone who can build bridges. Ms. Cheu stated she thought that Mr. Blackwell was the right person for the position right now given where the Agency's work was, and that she looked forward to working with Mr. Blackwell, and that Mr. Blackwell had her full support.

Commissioner Covington stated that she had not known Mr. Fred Blackwell too long, but that they had worked together for about a year on the Mayor's Public Housing Task Force, and that she was so impressed with the depth of his knowledge about housing and community issues. Ms. Covington stated that she was very impressed with his interaction with his staff at the MOCD and with other members of the task force who also citizen volunteers, and with his consensus-building acumen. Ms. Covington stated she thought that it was a new day dawning at the Redevelopment Agency and that she was very enthusiastic about his candidacy and that she could not wait to cast her yes vote on his appointment as Executive Director.

Commissioner King stated that it was a great day for the Redevelopment Agency, and that he recalled meeting with Mr. Fred Blackwell about a week ago and that he (Mr. King) was so impressed with his family background in the East Bay, and that Mr. Blackwell would be very good for San Francisco. Mr. King welcomed Mr. Blackwell to the Redevelopment Agency.

President Peterson stated that the Agency was very lucky to have Mr. Fred Blackwell as the incoming Executive Director and that the rest of the Commission concurred, because Mr. Blackwell was an outstanding candidate and that he possessed so many of the different skills and personal traits that would be important to be able to do the job of leading the Agency. Mr. Peterson stated that beyond the professional experience and leadership skills, he was struck by Mr. Blackwell's personal charm, smile and low-key manner, which translated to a personal ease in dealing with people, which was a big part of the job of Executive Director, and that would serve Mr. Blackwell very well in his efforts on the Agency's behalf. Mr. Peterson stated he also thought that Mr. Blackwell would be a terrific leader of the Agency staff and that he (Mr. Peterson) looked forward to voting for Mr. Blackwell's appointment.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 5 (a) RESOLUTION NO. 87-2007, APPOINTING FRED BLACKWELL AS EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 5 (b) RESOLUTION NO. 88-2007, AUTHORIZING EXECUTION OF EMPLOYMENT AGREEMENT WITH FRED BLACKWELL FOR THE POSITION OF EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

Mr. Fred Blackwell thanked the Commission and stated that he was very honored to be appointed as the next Executive Director of the Redevelopment Agency, and that he was flattered and humbled by the public testimony at the meeting. Mr. Blackwell stated that he was also humbled and earnest in the challenge that was issued by the Commission, and that he looked forward to working with the Commissioners and Agency staff as well as the people from the various communities, including the Project Area and Citizens' Advisory Committees that the Agency worked with. Mr. Blackwell stated that he would admit that initially, he did not leap at the chance when his name was first mentioned, but that he thought it was a wonderful opportunity to do great things and that he was aware of the challenges, but that he was coming in with eyes wide open and looked forward to beginning the important work of the Agency.

6. MATTERS NOT APPEARING ON THE AGENDA None.

7. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Espanola Jackson, Randall Evans, Daniel Landry

8. **REPORT OF THE PRESIDENT**

- President Peterson congratulated Mr. Fred Blackwell on his appointment as the next Executive Director of the Redevelopment Agency, and that on behalf of the Commissioners, expressed their appreciation for Mr. Blackwell's willingness to do the job, and that the Agency had high expectations and looked forward to working with Mr. Blackwell.

9. **REPORT OF THE EXECUTIVE DIRECTOR**

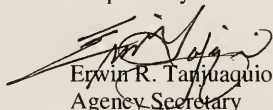
- Executive Director Rosen congratulated Mr. Fred Blackwell on his appointment and stated her ongoing support and assistance in taking over the duties of the Executive Director. Ms. Rosen wished Mr. Blackwell the very best and that she looked forward to handing over the baton to a new Executive Director who she thought would carry on the very important mission of the Redevelopment Agency.

10. **COMMISSIONERS' QUESTIONS AND MATTERS** None.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:12 p.m.

Respectfully submitted,


Erwin R. Tanjoaquio
Agency Secretary

APPROVED:

August 21, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
21ST DAY OF AUGUST 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of August 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Regular Meeting of August 7, 2007 and Special Meeting of August 14, 2007
- 4 (b) Resolution No. 89-2007, Authorizing a Third Amendment to the Personal Services Contract with OLMG Consulting Engineers, a California corporation, to extend the term by 15 months from September 30, 2007 to December 31, 2008, in connection with a seismic retrofit analysis of the Municipal Railway Substation building located at 1140 Fillmore Street; Western Addition Redevelopment Project Area A-2
- 4 (c) Resolution No. 90-2007, Authorizing a First Amendment to the Lease Option Agreement with West Bay Housing Corporation, a California nonprofit public benefit corporation, and Satellite Housing, Inc., a California nonprofit public benefit corporation, to extend the term for 15 months to November 28, 2008, for the development of very low-income rental housing on Central Freeway Parcel Q, southwest corner of Octavia Boulevard and Oak Street; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSTAINED FROM VOTING ON THE APPROVAL OF THE MEETING MINUTES FOR AUGUST 7, 2007) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: REGULAR MEETING OF AUGUST 7, 2007 AND SPECIAL MEETING OF AUGUST 14, 2007, 4 (b) RESOLUTION NO. 89-2007, AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH OLMG CONSULTING ENGINEERS, A CALIFORNIA CORPORATION, TO EXTEND THE TERM BY 15 MONTHS FROM SEPTEMBER 30, 2007 TO DECEMBER 31, 2008, IN CONNECTION WITH A SEISMIC RETROFIT ANALYSIS OF THE MUNICIPAL RAILWAY SUBSTATION BUILDING LOCATED AT 1140 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND 4 (c) RESOLUTION NO. 90-2007, AUTHORIZING A FIRST AMENDMENT TO THE LEASE OPTION AGREEMENT WITH WEST BAY HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND SATELLITE HOUSING, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FOR 15 MONTHS TO NOVEMBER 28, 2008, FOR THE DEVELOPMENT OF VERY LOW-INCOME RENTAL HOUSING ON CENTRAL FREEWAY PARCEL Q, SOUTHWEST CORNER OF OCTAVIA BOULEVARD AND OAK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

- 4 (d)** Resolution No. 91-2007, Expressing appreciation to Erwin R. Tanjuaquio upon the occasion of his retirement from his positions as Commission Secretary of the Redevelopment Agency of the City and County of San Francisco, Best Dressed Agency Employee, Agency Bowling Champion, and Agency Master of Ceremonies

Executive Director Marcia Rosen thanked Commission Secretary Erwin Tanjuaquio and welcomed the Tanjuaquio family for attending the Commission meeting on the occasion of honoring their son, father and husband. Ms. Rosen stated that this was a special privilege for her to congratulate and honor Erwin today, and that she and Erwin had served together during the past six years, and that he had taught her the ropes for running the Commission agenda and meetings in a way that honored the public participation, which called honor and respect to everyone at the Redevelopment Agency. Ms. Rosen stated that she took special pride in reading Erwin's commendation resolution.

Speakers: Charles Range, David Sobel, Heidi Sieck, Espanola Jackson, Dennis Normandy, Angelo King, Sandy Mori, Al William

Mayor Gavin Newsom stated that he wanted to come to the Commission meeting to express his appreciation to Marcia Rosen for her six years of service as the Executive Director of the San Francisco Redevelopment Agency. Mayor Newsom stated that there was no question that the legacy of Marcia Rosen would be defined by her contribution to affordable housing in the City, which had been her passion and purpose that began with her stewardship at the Mayor's Office of Housing and as a member of the Treasure Island Development Authority. Mayor Newsom stated that since Marcia began working at the Redevelopment Agency, she had participated in the development of 6,054 housing units, of which, 3,863 were affordable housing units, which was an extraordinary percentage. Mayor Newsom stated that in the redevelopment plans that Marcia had stewarded and processed, including Mission Bay, Bayview Hunters Point and the Hunters Point Shipyard, over 12,349 housing units were planned, and 5,282 affordable housing units were currently in the queue. Mayor Newsom stated that clearly, this represented an extraordinary legacy for Marcia, because all of these housing units would have Marcia's name associated with them. Mayor Newsom stated that he came to present a mayoral proclamation to Marcia, but that he was most proud of Marcia's contribution in the development of affordable housing, and that he was very proud of the example that Marcia had set, and the legacy and bar that she had raised with the Redevelopment Agency, which would be very challenging for the next Executive Director to meet,

reach or exceed, as well as the work left to be done. Mayor Newsom stated that it was his honor to proclaim officially, that August 21, 2007 in perpetuity, as Marcia Rosen Day in the City and County of San Francisco. Mayor Newsom presented the mayoral proclamation to Marcia Rosen.

Mayor Gavin Newsom stated that he also came to the Commission meeting to express his appreciation to Erwin Tanjuaquio on the occasion of his retirement from the Redevelopment Agency. Mayor Newsom stated that Erwin looked too young to retire even after 30 years of service, and that he (Mayor Newsom) had a mayoral proclamation for Erwin that chronicled his public service at the Redevelopment Agency that went back all the way to the nineteen hundred seventies, which sounded like a much longer time. Mayor Newsom stated that Erwin went through the pen and paper era to computer mapping with all of the good and the bad times at the Redevelopment Agency, and that Erwin saw a lot of Mayors and Commissioners come and go throughout his 30 year career. Mayor Newsom stated that he wanted to extend on behalf of everyone, the City's appreciation for Erwin's contributions and commitment for 30 years of public service at the Redevelopment Agency. Mayor Newsom stated that he was honored to proclaim Erwin's day in San Francisco, which was not until August 31, 2007, and presented him the mayoral proclamation.

Speakers (continued): Benny Yee, Randall Evans, Rev. Amos Brown, Fred Blackwell, Ace Washington

Commissioner Covington jested that she just received a message from the Agency's Human Resources Manager and that there had been a mixed up in Erwin's retirement paperwork and he was not eligible to retire for another year. Ms. Covington stated that she had known Erwin for almost 20 years and that it had always been a pleasure to know him and more so, since she came on the Agency Commission, because Erwin had been a bright light for her in the work of the Agency. Ms. Covington stated that she really appreciated Erwin as a person, his sense of humor, his passion for the good work of the Agency, but that she was wondering why Erwin had to rub it in that he was leaving the Agency, because she saw him the day before wearing a Hawaiian shirt with the words "just-chilling" on the back. Ms. Covington stated that she understood that Erwin wanted to spend more time with his son Milano, and his wife, and that there was nothing like family, and that she considered Erwin not a friend of her family, but a close cousin, in fact, kissing cousins, because she and Erwin always hugged and kissed when they saw each other. Ms. Covington stated that some people may not know that Erwin has a fan club and that she planned to remain a member of that fan club. Ms. Covington put forth a motion to adopt item 4 (d).

Commissioner Breed stated that when she first became an Agency Commissioner, she thought that Erwin was the same age as she, and that she did not realize that he had been at the Agency longer than she had been alive. Ms. Breed stated that she could not believe that Erwin was 50 years old and retiring from the Agency, and that today was both a bad day and a good day, because now, she did not have anyone else to compete with her style, because she was tired of coming to the meetings thinking that she was the best-dressed person in the room, and Erwin would walk-in with his pin-stripe suit and Galileo purple necktie with matching cuff links, and that Erwin was the sharpest dressing straight man she knew, and that he had too much style for a straight man. Ms. Breed stated that she just loved Erwin so much because he is such a great person, and that he had been so supportive and energetic and overly helpful on so many different occasions. Ms. Breed stated that she appreciated Erwin's support, compassion and his sense of style, more than anything, because Erwin has such a great heart and that she did not know how the Commission was going to replace someone like Erwin. Ms. Breed stated that she still could not believe that Erwin was retiring and that it was a sad day for the Redevelopment Agency, and that she did not want Erwin to go because it was really hard to see him leave. Ms. Breed stated that Erwin always had the best reputation, but that her interaction and relationship with him had far exceeded all of the comments, love and support that people had expressed about him, and that it was a sad day for the Agency to lose such a wonderful person, and that she was glad that she had the opportunity to work with Erwin, but that she did not think it was fair that the incoming Executive Director, Mr. Fred Blackwell, would not have the same opportunity, and maybe Erwin could give Mr. Blackwell a year or two before retiring. Ms. Breed stated that many people did not know, but every holiday, Erwin gave the Commissioners cards and gifts, which were less than \$50.00 so Commissioners did not have to report them, and that Erwin was always so generous and considerate and always shining like a superstar, like sunshine as Commissioner Covington stated earlier. Ms. Breed stated that she had only one request from Erwin and that he must make sure that his wife makes that wonderful rum cake for the holidays. Ms. Breed thanked Erwin for everything he had done and for being himself, and whoever would follow in his footsteps, would have an extremely tough time to top what Erwin had done. Ms. Breed stated that it was her honor to second Commissioner Covington's motion to adopt item 4 (d).

Commissioner Cheu stated that being a new Commissioner, she did not have the benefit of tasting the rum cake, but that she was sure that she would have the opportunity. Ms. Cheu stated that she loved hearing about the stories and all of the comments about Erwin, and that clearly Erwin would leave a legacy at the Agency that would extend far beyond the few months she had known Erwin. Ms. Cheu stated that she wanted to share some of her observations about Erwin, and that one of the things about Erwin is that he

always went beyond the call of duty and that he would give that extra 10% to make people happy, and it was those little things he did for everyone that touched people as was voiced by the public testimony. Ms. Cheu stated that she had been inspired by Erwin's ability to work with people from all walks of life and that he treated everyone with respect no matter who the person was. Ms. Cheu stated that Erwin was really the perfect host because he is so gracious and a perfect gentleman, and that he had the host for the Agency Commission, which made her transition into the Commission so much easier, from little things like how to operate the monitors to big issues in the various communities that the Agency served. Ms. Cheu stated that Erwin is truly the ultimate planner, both professionally as everyone heard about his contributions to the Agency over the last 30 years, but also in his everyday life, because there would be times when she would call Erwin about some issue and he had already planned ahead and taken care of it, and his attention to these little details is truly impressive. Ms. Cheu stated that Erwin is a great problem solver and very creative, and that Erwin is the kind of guy if you were ever lost in the desert, you would want him with you because he would know what to do, how to get things done, and when challenging situations presented themselves, he is the guy you want around. Ms. Cheu stated that Erwin is a great story-teller and due to his wealth of knowledge, his eloquence and intelligence, she loved just sitting with him and hearing all the stories about his own life, family, the Redevelopment Agency, San Francisco, neighborhood planning, the Philippines and that Erwin was just fascinating to listen to. Ms. Cheu stated that on a personal note, Erwin really takes the time to be a friend and that he was always willing to listen, and that most people knew that as soon as she was appointed to the Commission, her mother passed away, and that Erwin was the first one to reach out, be supportive and offered to help out with things that very close friends were offering to do, and Erwin even took time out to come the memorial services, and that she was truly touched by his sentiment. Ms. Cheu stated that she wished Erwin the best and that she was thrilled for Erwin with the opportunities ahead both in the City and internationally, and that she would truly miss Erwin not just professionally, but all of the personal qualities that she had come to appreciate over the last few months.

Commissioner Romero stated that there were probably some people who did not know Erwin and came to the meeting for other business matters on the agenda, but that he wanted people to know that the Commission was taking the time because it was important to recognize someone who had given such dedicated service to our City. Mr. Romero stated that he had been listening to people's remarks and that he wrote some of the words he heard repeatedly, like professionalism, dedication, friendly, likable, charming, integrity and well-groomed, and that he agreed with all of that, but that he wanted to particularly recognize Erwin's generosity and ambition, which was important to recognize for such an important role model in Erwin. Mr.

Romero stated that if one looked closely to the commendation resolution, Erwin's career had been one steady climb one step after the other and that he had really been a marvelous success story, and that he was sure that his family is very proud of him, and that he had been a wonderful role model for the Filipino community because he (Mr. Romero) knew that Erwin felt strongly about his identity in his ethnic community and that he should be very proud of that. Mr. Romero stated that he knew that with Erwin's ambition, he was not done with his retirement from the Agency and that was just another step he had achieved, and that he (Mr. Romero) would be waiting to see the next step, which would be another success. Mr. Romero thanked Erwin for all of the support he had given to all of the Commissioners, and to share an example of Erwin's generosity, Mr. Romero stated that he would often come to the Commission meetings and see Erwin's outfit and would ask him where he (Mr. Romero) could get a particular necktie or shirt, and Erwin was always willing to share, and that later, he (Mr. Romero) realized that Erwin's outfit was a package and it could not be duplicated. Mr. Romero stated that he recalled seeing Erwin wearing this beautiful Filipino formal shirt and so he asked him where he could get one and Erwin told him that he could get one from Manila, and the next time Erwin went to the Philippines, he got one of the shirt for him and the formal shirt was always a big hit in all of the weddings he went to. Mr. Romero stated he wanted to thank Erwin for his dedicated service and that they could not say enough to recognize Erwin, but that he knew that they would see Erwin again.

Commissioner Singh stated that he recalled meeting Erwin when he applied for the position of Commission Secretary, and although he (Mr. Singh) was not sure if Erwin could do the job, he was told by the former Commission Secretary that Erwin was brilliant and a very capable employee. Mr. Singh stated that he would call Erwin on his cellular telephone when he needed something, and that Erwin would always make sure that to get it to him. Mr. Singh stated that he would really miss Erwin and wished him the very best in his retirement.

Commissioner King stated that he wanted to thank Erwin for doing a great job and that he and the Commission did not make a mistake in appointing Erwin as the Commission Secretary. Mr. King stated that Erwin was so pleasant and very understanding, and that he wanted to thank Erwin for his loyalty to the Commission because he always provided timely information to the Commissioners. Mr. King stated he also wanted to thank Erwin's wife and his family for sharing him with the Agency, and that he hoped Erwin would still bring the wonderful rum cake to the Commissioners. Mr. King thanked Erwin and wished him the best and that he knew that Erwin would be around to support the City whenever he could.

President Peterson stated that one of the greater shocks about Erwin was having breakfast with him in January and being informed that he was preparing to retire at age 50, and thought that Erwin was in his 30's and that he was a contemporary of his. Mr. Peterson joked that he thought Erwin wanted to meet with him to complain about the Executive Director and was shocked to hear about his retirement. Mr. Peterson stated that as everyone heard, Erwin had been a model employee and a model person and had been a complete and total professional, and that he was not sure he had seen anyone more professional than Erwin. Mr. Peterson stated that Erwin was dependable and had a wonderful attitude and a tireless hard worker under tough circumstances, because the Commission meetings was a stressful atmosphere to work within especially before the public and on live radio broadcast, but Erwin had the appropriate flexibility because he is a great communicator and Erwin's genuine friendliness always came through with everyone he interacted with. Mr. Peterson stated that Erwin was very gracious and helpful to him when he came to the Commission about two years ago, and continued to give him reminders on many issues about the Agency's business. Mr. Peterson stated he wanted to thank Erwin for being wonderful to his children and his wife, and that he wanted to congratulate Erwin for his 30 years of public service and for his loyalty to the Agency, the City and to all of its citizens. Mr. Peterson wished Erwin a happy and healthy retirement, and that Erwin would be missed indeed and hard to replace.

Commission Secretary Erwin Tanjuaquio shared some remarks and expressed appreciation to Mayor Gavin Newsom for the mayoral proclamation, the public speakers who spoke on his behalf, Executive Director Marcia Rosen and Agency staff, and to the Commissioners for the wonderful opportunity to serve the public.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) Resolution No. 91-2007, EXPRESSING APPRECIATION TO ERWIN R. TANJUAQUIO UPON THE OCCASION OF HIS RETIREMENT FROM HIS POSITIONS AS COMMISSION SECRETARY OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BEST DRESSED AGENCY EMPLOYEE, AGENCY BOWLING CHAMPION, AND AGENCY MASTER OF CEREMONIES, BE ADOPTED.

- 4 (e) Resolution No. 92-2007, Approving an Amended and Restated Redevelopment Agency of the City and County of San Francisco 457 Deferred Compensation Plan and reauthorizing the Executive Director to administer said plan in accordance with its terms

Presenters: Andrico Penick (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (e).
Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 92-2007, APPROVING AN AMENDED AND RESTATED REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO 457 DEFERRED COMPENSATION PLAN AND REAUTHORIZING THE EXECUTIVE DIRECTOR TO ADMINISTER SAID PLAN IN ACCORDANCE WITH ITS TERMS, BE ADOPTED.

- 4 (f) Resolution No. 93-2007, Ratifying and confirming the authorization, issuance, sale and delivery of Tax Exempt Multifamily Housing Mortgage Revenue Bonds (Ninth and Jessie Senior Housing) 2007 in an aggregate principal amount not to exceed \$25,000,000; determining and prescribing certain related matters; approving and authorizing related actions and the execution and delivery of related documents to finance the construction of residential facilities known as Ninth and Jessie Senior Housing; Mid-Market Redevelopment Survey Area; Agency Citywide Affordable Housing Program

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Singh asked who the bond underwriter was for the issuance of the bonds, and requested verification that the proposed bonds would be tax-exempt. Mr. Singh also asked what the interest rate was.

Ms. Elizabeth Colomello, Development Specialist, stated that the proposed project did not have a bond underwriter because it was a private placement. Ms. Colomello affirmed that the proposed bonds would be tax-exempt. Ms. Colomello stated that the interest rate for the bonds would be under six percent.

Commissioner Singh put forth a motion to adopt item 4 (f).

Commissioner Cheu asked staff to address the issue with the Furniture Mart.

Ms. Colomello stated that as indicated in the Commission memorandum, the Furniture Mart had begun litigation process regarding the width of the street on Jessie Street, but that currently, any action on the litigation was stayed, and Mercy Housing and the Furniture Mart were working on a settlement that Agency staff felt would be resolved in the next month or two. Ms. Colomello stated that if Commissioner Cheu had more questions about the litigation, she would defer to Ms. Heidi Gewertz, Agency Senior Attorney.

Commissioner Cheu seconded Commissioner Singh's motion to adopt item 4 (f).

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED (MS. COVINGTON ABSENT)* THAT ITEM 4 (f) RESOLUTION NO. 93-2007, RATIFYING AND CONFIRMING THE AUTHORIZATION, ISSUANCE, SALE AND DELIVERY OF TAX EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (NINTH AND JESSIE SENIOR HOUSING) 2007 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000; DETERMINING AND PRESCRIBING CERTAIN RELATED MATTERS; APPROVING AND AUTHORIZING RELATED ACTIONS AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES KNOWN AS NINTH AND JESSIE SENIOR HOUSING; MID-MARKET REDEVELOPMENT SURVEY AREA; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

* Commissioner Covington left the meeting room momentarily.

President Peterson stated that he would seek a motion to move item 4 (i) on the agenda at this time in order to have all seven Commissioners available for the discussion, as one Commissioner would have to leave the meeting early and that there was a representative from the Mayor's Office that would speak on the matter

Commissioner Breed put forth a motion to discuss item (i) at this time.
Commissioner Romero seconded the motion.

Note: At this time, approximately 5:35 p.m., the Commission considered item 4 (i) next on the agenda

- 4 (i)** Resolution No. 96-2007, Authorizing the issuance of a Request for Proposals for the development of approximately 18 to 20 units of affordable housing for low- and moderate-income first-time homebuyers at 1210 Scott Street (Block 0729, Lot 044); Western Addition Redevelopment Project Area A-2

President Peterson stated that he believed the matter would be continued further, but that the Commission would hear public comment.

Speakers: Ace Washington, Rev. Amos Brown, Rev. Arnold Townsend

Commissioner Covington stated that she would request the Commission's indulgence and request that the matter be continued for one month until the

Commission's meeting on September 18, 2007. Ms. Covington stated that there had been some movement concerning how there could be some agreement that would result in a win-win situation as it related to affordable housing development and the proposed gymnasium for the Jewish High School of the Bay, however, time was of the extreme essence and that she would call upon Mr. Olson Lee of the Agency and Mr. Jesse Blout of the Mayor's Office to provide the Commission with an update.

Mr. Jesse Blout, Director of the Mayor's Office of Economic and Workforce Development, stated that Mayor Newsom asked him to reach out to the Commission to see if the Mayor's Office could be of assistance in creating a win-win dynamic out of what seemed to him as a collision of laudable and important policy goals, the two goals being the creation of affordable housing particularly homeownership opportunities that would be targeted to folks that had been displaced from the Western Addition with prior redevelopment actions, and the desire to bring families back to San Francisco, and the other laudable goal that Rev. Amos Brown mentioned, which would make a place for a new gymnasium for the Jewish High School, which as many people knew, was an important partner in the community, and as Rev. Brown pointed out, had been working on a lot of important projects, including the "Back On Track" program with Third Baptist Church and other partners. Ms. Blout stated that in the spirit of trying to achieve both goals, they had begun to have fresh conversations in the last couple of days about a scenario where an agreement might be reached with the Jewish High School, assuming that the terms on the acquisition were appropriate and reasonable by the Commission, whereby the high school would acquire the site for the proposed gymnasium, and then they would work to develop a robust program for targeted homeownership opportunities particularly targeted for certificate of preference holders from the Western Addition, aimed at reaching out to families, to aggressively market to families and to prepare them for homeownership and to provide down payment assistance, with the proceeds from the acquisition of the site by the Jewish High School. Mr. Blout stated that the 1210 Scott Street site would yield about 18 townhouse units and that he believed that with the proposed strategy, that number of housing units could be doubled, and he would ask the Commission to consider the proposed strategy to achieve that win-win situation that Commissioner Covington alluded to. Mr. Blout stated that the Mayor's Office was very interested in facilitating the process and at the Commission's direction, would work with the Agency and the high school.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that Mr. Blout had described the broad parameters of a potential resolution to the question of the issuance of a Request for Proposals for 1210 Scott Street that was before the Commission. Mr. Lee stated that Agency staff would seek the Commission's guidance and direction in going forward with the

proposed approach and the Agency would look to ensure that the property was transferred at the appraised value and to develop a program subject to the Commission's approval, that would look at a great outreach and preparation for homeownership, looking at specifically how the proceeds from any potential sale would actually assist potential homeowners. Ms. Lee stated that Agency staff would work closely with the Mayor's Office to further research this approach.

Commissioner Covington stated she thought that the Mayor's Office and its staff had really done their best thinking on the matter and that she wanted to applaud them for coming up with a genius idea. Ms. Covington stated that the Agency needed to produce more affordable housing and that it need to pay more attention to the certificate of preference holders, 3,000 of which had been lost. Ms. Covington stated that the Jewish High School of the Bay previously gave the Agency a generous offer and that she was certain that their generosity would continue and that they would again give the Agency a nice premium price for the 1210 Scott Street property so that their students could have a new gymnasium. Ms. Covington stated that very often at Commission meetings, the Commission was not able to come up with something that could satisfy the needs of both sides, and that she was very enthusiastic about the proposed strategy and the monies that would become available, because at the present time, the Agency did not have a specific line item in its budget for certificate of preference holders that could be used for down payment assistance, outreach and finding certificate holders. Ms. Covington stated that she was reminded that there would only be one Commission meeting in September, so she would put forth a motion to continue the matter no later than the October 2nd Commission meeting.

Commissioner Romero seconded Commissioner Covington's motion, and stated that he agreed with everything that Rev. Amos Brown had stated that both sides had laudable goals, because both a high school gymnasium and affordable housing were very important and the Commission could discuss the merits to no end, but that he also agreed with the sense of alarm that were expressed by a couple of the speakers because the matter had been continued three previous times, and that he would urge the people involved to have a sense of urgency about resolving the issues, that something gets done as quickly as possible. Mr. Romero stated that he always wanted to give both parties the opportunity to work something out, and urged the Jewish High School to expedite the process and wished them the best.

Commissioner Breed stated that she would support the continuance, but that she agreed that time was of the essence. Ms. Breed stated that she also wanted to make sure that an item would be scheduled at a future Commission meeting to include grandchildren in the Agency's Certificate of Preference Program, and that she would like an update on the person working on that position that was allocated for in the Agency's budget.

President Peterson stated that he would like to thank Rev. Arnold Townsend and members of the Western Addition Citizens' Advisory Committee on their efforts on the project. Mr. Peterson stated that there was a long history on the project that preceded his arrival at the Commission, and that there were a lot of good ideas on the table and that anyone who had worked with him on the matter knew that he had no other agenda other than to get things done because that was his disposition. Mr. Peterson stated that he would echo Commissioner Romero's remarks to plead with the parties involved, particularly the Jewish High School, to come up with a deal in the next 30 days. Mr. Peterson stated that he recalled a telephone conversation with Ms. Marcia Smolen four months ago, and the telephone calls he had made to members of the Jewish High School Board of Directors had gone unreturned, and urged the high school to try and move forward as expeditiously as it could. Mr. Peterson stated that he wanted to thank Mr. Jesse Blout and the Mayor's Office as well as compliment Commissioner Covington for her efforts, passion, creativity and flexibility in considering a lot of ideas.

Commissioner King stated that although unusual, he would like to say that Commissioner Romero was on point about the issues from the very beginning, and that he agreed with Mr. Romero.

MOTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 96-2007, AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF APPROXIMATELY 18 TO 20 UNITS OF AFFORDABLE HOUSING FOR LOW- AND MODERATE-INCOME FIRST-TIME HOMEBUYERS AT 1210 SCOTT STREET (BLOCK 0729, LOT 044); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE CONTINUED TO NO LATER THAN THE OCTOBER 2, 2007 COMMISSION MEETING.

Note: At this time, approximately 6:00 p.m., the Commission resumed discussion of item 4 (g) on the agenda.

- 4 (g) Resolution No. 94-2007, Authorizing exclusive negotiations and a predevelopment loan agreement in an amount not to exceed \$2,600,000, with 474 Natoma LLC, a California limited liability company, for the development of approximately 58 units of low- and moderate-income first-time homebuyer housing at 474 Natoma Street; South of Market Redevelopment Project Area

Presenters: Lucia Tallechief Mele (Agency staff)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 94-2007, AUTHORIZING EXCLUSIVE NEGOTIATIONS AND A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$2,600,000, WITH 474 NATOMA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF APPROXIMATELY 58 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEBUYER HOUSING AT 474 NATOMA STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h)** Resolution No. 95-2007, Authorizing a Guaranty Agreement for the payment of tax increment funding in an amount not to exceed \$3,381,000 for the development of 124 units of low- and moderate-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenters: Olson Lee (Agency staff)

Speakers: Deven Richardson, Dorris M. Vincent

President Peterson stated that he would echo the sentiments of the public speakers and asked Mr. Olson Lee to encourage BRIDGE to do outreach to local business, and that if there were some significant dollars that could either be kept in the project or appropriately disbursed and invested in the community, particularly real estate professionals, the Commission would appreciate that.

Commissioner Covington stated that she would go further and say that this was something to be looked at as an Agency policy and ask the question of what the Agency's policy and responsibility would be to those professionals who live within redevelopment project areas. Ms. Covington stated that it should not just be a conversation with BRIDGE, but also a conversation amongst the Agency about how it could go forward with other projects as well. Ms. Covington put forth a motion to adopt item 4 (h).

Commissioner Cheu seconded Commissioner Covington's motion to adopt item 4 (h), and stated that she would also have the same comments that there was a great opportunity for economic development in this project and that she knew it was something that the Agency struggled with and was difficult, but that she would like to see the Agency develop a strategy with its housing projects that could incorporate some of the local businesses. Ms. Cheu stated that maybe, there was already such an Agency policy and practice and if so, she would like to hear more about it in the future.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 95-2007, AUTHORIZING A GUARANTY AGREEMENT FOR THE PAYMENT OF TAX INCREMENT FUNDING IN AN AMOUNT NOT TO EXCEED \$3,381,000 FOR THE DEVELOPMENT OF 124 UNITS OF LOW- AND MODERATE-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Kathy Perry

7. **REPORT OF THE PRESIDENT**

- President Peterson stated that he wanted to congratulate Erwin again for his 30 years of fine public service and that he would be missed.
- President Peterson announced that the regular Commission meeting of September 4th would be cancelled, and that the next regular meeting will be held on September 18th.
- President Peterson stated that he was sure that there will be quite a send-off for Executive Director Rosen at the September 18th Commission meeting, but as this was Director Rosen's last official Commission meeting, he wanted to thank Ms. Rosen for all of her service, stewardship, her effective orchestration of the Commission meetings, and for handling the Agency's business with grace. Mr. Peterson stated that Ms. Rosen is very articulate and that no one could question her intentions and wished her all the best. Mr. Peterson stated that he wanted to acknowledge Ms. Rosen both professionally and personally before the next Commission meeting, on September 18th, where there would be an official recognition of her contributions, and that there was also a planned going away celebration and he and his fellow Commissioners were all excited to attend.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated that she wanted to congratulate Erwin on his retirement and for his wonderful remarks and to acknowledge all of the accolades from the community, Agency staff and Commissioners, which was much deserved. Ms. Rosen stated that it was an end of an era with she and Erwin working so close together for that past six years and wished him the very best in his retirement.
- Executive Director Rosen stated that she wanted to thank Commissioners for their service to the City and for giving her the opportunity for public service. Ms. Rosen stated that she was someone who came to public service skeptically in 1996, when former Mayor Willie Brown lured her away from her civil rights law practice and that she did not know if she would find government service rewarding and whether she could stay true to her core values that she had advocated for during her 20 years as a civil rights lawyer, and that she was skeptical that she could be as effective for social, economic and racial justice inside government as she could be outside, but after 11 years with the City, she felt that one could truly bring the highest values for the community into government. Ms. Rosen stated that she also valued the opportunity to work with the current and former Commissioners, the two mayors she had served, the City family, and equally important was the wonderful staff at the Agency, and the many dedicated residents on Project Area and Citizens' Advisory Committees and all of the Agency's community partners in the important work that the Agency will continue to do. Ms. Rosen thanked the Commissioners and stated that she was looking forward to coming with a visitor's perspective and speaking as a member of the public at the September 18th Commission meeting.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Covington stated that she would also like to thank Executive Director Rosen for her years of service to the City and County of San Francisco. Ms. Covington stated that Ms. Rosen is a very diligent person and although you may not agreed with her, she really worked hard for her point of view, and that she appreciated Ms. Rosen's thoroughness and the seriousness with which she had taken her position. Ms. Covington stated that she would be brief as there would be an official recognition of Ms. Rosen's contributions next month.
- Commissioner Covington stated that for the second time, she was able to visit one of the Agency's housing projects called Buchanan Place, which is in the Western Addition, and she wanted to mention it because the development looked fabulous. Ms. Covington stated that out of 30

single-family homes, three of which are affordable, and that she wanted to encourage the Agency's certificate of preference holders who might be listening on the radio broadcast, to be aware that there would be a lottery held on September 6th for the three affordable housing units, and if they had questions, to please call Ms. Gwendolyn Sebay at the San Francisco Redevelopment Agency. Ms. Covington stated that the market-rate units would be going for about \$700,000 and the affordable units would be \$270,000, so that was a tremendous discount and urged to take advantage of this opportunity.

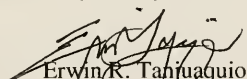
- Commissioner Romero stated that he wanted to be the first one to go on record to suggest a second career for Erwin, as a speech writer, because the speech he gave was really very good.
- Commissioner Romero stated that he would save his remarks for Executive Director Rosen until the next Commission meeting when she would be officially recognized.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Mr. Romero, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:37 p.m.

Respectfully submitted,


Erwin R. Taniguchi
Agency Secretary

APPROVED:

September 18, 2007

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
11TH DAY OF SEPTEMBER 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 2:00 p.m. on the 11th day of September 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 2:04 p.m. Mr. Peterson informed the public that after the special meeting is called to order, the Commission will recess and convene to a closed session meeting. Following adjournment of the closed session meeting, the Commission will reconvene to open session to report on actions taken at the closed session meeting, if any. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting.

7
1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
Leroy King
Ramon E. Romero
Darshan Singh

And the following were absent:

London Breed
Linda Cheu

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Fred Blackwell, Executive Director and staff members were also present. (**Note:** This was the first official Commission meeting for Mr. Fred Blackwell.)

2. CLOSED SESSION:

- 2 (a)** Pursuant to Government Code § 54957 on personnel, with respect to the position of Commission Secretary

The Commission recessed to convene the closed session meeting at 2:07 p.m.

3. **Pursuant to Government Code § 54957.1, Report on actions taken, if any, at previous Closed Session meeting.**

President Peterson stated that following the Commission's interview of two internal Agency applicants for the position of Commission Secretary and significant deliberations, the Commission was impressed with both applicants, and that there was consensus and ultimately a unanimous vote of the Commissioners present in favor of appointing Ms. Gina Solis as the Agency's next Commission Secretary. Mr. Peterson stated that the Commission would like to congratulate Ms. Solis on her appointment and also thanked Ms. Deborah Lucero for her interest and commended her for her particular talents and continuing commitment to the Agency, and that the Commission looked forward to Ms. Lucero's continued loyal service to the Agency.

The closed session meeting adjourned at approximately 3:45 p.m., and the open session was reconvened at 3:46 p.m.

4. **MATTERS OF UNFINISHED BUSINESS:** None.

5. **MATTERS OF NEW BUSINESS:** None.

6. **MATTERS NOT APPEARING ON THE AGENDA** None.

7. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

8. **REPORT OF THE PRESIDENT**

- President Peterson stated that he did not have a formal report other than to welcome Mr. Fred Blackwell, the Agency's new Executive Director and that it was nice to see him and the Commission looked forward to working with him. Mr. Peterson thanked Mr. Erwin Tanjuaquio for coming to help with the special Commission meeting.

9. **REPORT OF THE EXECUTIVE DIRECTOR**

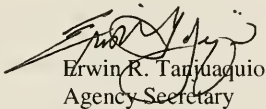
- Executive Director Fred Blackwell stated that he also did not have a formal report, but that it was his second day as the Agency's new Executive Director and that he was happy to be there and looked forward to working with the Commission.

10. COMMISSIONERS' QUESTIONS AND MATTERS None.

11. ADJOURNMENT

It was moved by Mr. Romero, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:59 p.m.

Respectfully submitted,



Erwin R. Tanguaquo
Agency Secretary

APPROVED:

September 18, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
18TH DAY OF SEPTEMBER 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of September 2007, at the place and date duly established for holding of such a meeting.

President Richard H. Peterson Jr. called the meeting to order at 4:05 p.m. Mr. Peterson welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Peterson asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Peterson stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Richard H. Peterson Jr., President
Francee Covington, Vice-President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

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Fred Blackwell, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Regular Meeting of August 21, 2007 and Special Meeting of September 11, 2007
- 4 (b) Resolution No. 97-2007, Authorizing a Seventh Amendment to the Exclusive Negotiations Agreement to extend the term until December 31, 2007, and a Fourth Amendment to the Tax Increment Loan Agreement to amend the schedule of performance, with San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, for the development of 18 low- and moderate-income first-time homeownership units and ground floor commercial space at 4800 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: REGULAR MEETING OF AUGUST 21, 2007 AND SPECIAL MEETING OF SEPTEMBER 11, 2007, AND 4 (b) RESOLUTION NO. 97-2007, AUTHORIZING A SEVENTH AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS AGREEMENT TO EXTEND THE TERM UNTIL DECEMBER 31, 2007, AND A FOURTH AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT TO AMEND THE SCHEDULE OF PERFORMANCE, WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 18 LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP UNITS AND GROUND FLOOR COMMERCIAL SPACE AT 4800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 98-2007, Commending and expressing appreciation to James Nybakken for his services on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

Ms. Amy Lee, Deputy Executive Director for Finance and Administration, read Mr. James Nybakken's commendation resolution.

Speakers: Marcia Rosen, Amy Neches, Oscar James

Commissioner Covington stated that she had the pleasure of working with Mr. Nybakken during her tenure on the Agency Commission and had visited South Beach Harbor on numerous occasions including a hard-hat tour of the Harbor Services Building when it was under construction. Ms. Covington stated that she was really surprised that Mr. Nybakken was leaving because he had the most gorgeous office of anybody in San Francisco, with the views of the harbor and the boats coming in as well as the Bay Bridge. Ms. Covington stated that Mr. Nybakken was always a pleasure to work with because of his enthusiasm for the playground, the adjacent yacht club and the true affection of the people who worked with him was just amazing. Ms. Covington stated that Mr. Nybakken was a treasure and that the Agency would miss him.

Mr. Romero put forth a motion to adopt item 4 (c) and stated that he would like to add his personal congratulations to Mr. Nybakken. Mr. Romero stated that in his 10 years on the Commission, Mr. Nybakken was one of the most dependable and steady people he had seen at the Agency, and that his presentations before the Commission were always on point, concise and very helpful to the Commission's decision-making. Mr. Romero stated that he had not realized how broad Mr. Nybakken's experience was at the Agency until he read the commendation resolution, but that he (Mr. Romero) recognized Mr. Nybakken for his crowning achievement, which was the magnificent South Beach Harbor as well as the newly constructed Harbor Services Building that he oversaw. Mr. Romero stated that Mr. Nybakken had certainly done a lot of things at the Agency, and that with his (Mr. Romero) own experience in employment and labor law and knowing how complex government services could be, it said a lot about Mr. Nybakken's many roles at the Agency, which he did with dedication and professionalism. Mr. Romero stated that the Agency and the City was losing a valuable employee and wished Mr. Nybakken the very best in his retirement and congratulated him on his great service to the Agency.

Commissioner Cheu stated that unlike Commissioner Romero, she had only been an Agency Commission for three months and that she had just formally met Mr. Nybakken a couple of weeks ago, but that she also wanted to add her congratulations to Mr. Nybakken. Ms. Cheu stated that as she looked at the commendation resolution with all of the different roles that Mr. Nybakken undertook, she was just impressed with the quality of staff at the Redevelopment Agency. Ms. Cheu stated that as a dragon-boater herself, she was very excited about the South Beach Harbor and everything that Mr. Nybakken had done with the disabled sailing program and his openness to including new programs at the harbor. Ms. Cheu seconded Commissioner Romero's motion to adopt item 4 (c) and congratulated Mr. Nybakken on his retirement.

Commissioner King stated that as Commissioner Covington stated earlier, he did not know why Mr. Nybakken was leaving the Agency since he had such a nice office at South Beach Harbor. Mr. King congratulated Mr. Nybakken for his many years of service to the Agency and that he would be missed, and that he (Mr. King) would be attending Mr. Nybakken's retirement party.

Commissioner Breed stated that she had to agree with her fellow Commissioners because she was also surprised that Mr. Nybakken was retiring especially after such a successful opening of the Harbor Services Building, which she attended and recalled that it was a beautiful day and that she could not imagine a more beautiful place to work. Ms. Breed stated that Mr. Nybakken did an extraordinary job and that she had visited the area frequently and enjoyed the scenery and that she was proud of the Agency's accomplishments in that area. Ms. Breed stated that Mr. Nybakken's 32 years of service to the Agency was amazing and wished him the best of luck in his retirement.

Commissioner Singh stated that he agreed with his fellow Commissioners' comments and that he did not know about Mr. Nybakken's other hobby as a wine-maker and that the Agency would miss him.

President Peterson stated that he was a baseball guy and he uses baseball analogies, and that he thought of Mr. Nybakken as a utility guy and everyone knew that in order to have a good baseball club, they had to have a good utility player who can play multiple positions. Mr. Peterson stated that while Mr. Nybakken had specific and long-standing responsibilities during his tenure at the Agency, he had also been so incredibly helpful and invaluable to the Agency over the years as he filled-in for special roles, including filling in as the Agency's Human Resources Manager as well as managing the South Beach Harbor, which was a first-class facility and one that the Agency was very proud of, and that Mr. Nybakken would be missed because it was difficult to lose someone who was versatile, capable and so trusted. Mr. Peterson congratulated Mr. Nybakken on a tremendous career at the Agency and stated that Mr. Nybakken looked too young to have served for 32 years, and wished him the very best in his retirement.

Mr. James Nybakken shared remarks and thanked the Commissioners for the kind words, and that he knew when he was hired in 1975 that the Redevelopment Agency was a special place because of its reputation of interesting programs and the ability to actually get things done in the City. Mr. Nybakken stated that he wanted to thank the many staff he had worked with throughout the years and that he felt fortunate to have worked at the Agency.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 98-2007, COMMENDING AND EXPRESSING APPRECIATION TO JAMES NYBAKKEN FOR HIS SERVICES ON THE OCCASION OF HIS RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- 4 (d)** Resolution No. 99-2007, Commending and expressing appreciation to Marcia Rosen upon her retirement from her position as Executive Director of the Redevelopment Agency of the City and County of San Francisco

Ms. Amy Neches, Senior Project Manager and Ms. Tracie Reynolds, Development Services Manager, read Marcia Rosen's commendation resolution.

Speakers: Erwin R. Tanjuaquio, Olson Lee, James Nybakken

Commissioner Romero put forth a motion to adopt item 4 (d). Mr. Romero stated that so many positive things had already been said about Ms. Rosen's career, with Mayor Newsom coming to the last Commission meeting and citing the great list of accomplishments particularly with respect to affordable housing, but that was not what stood out in his mind. Mr. Romero stated that what he remembered the most about Marcia was how hot a seat the Executive Director's seat was at the Commission meetings, because she had to deal with the politicians, developers, Agency employees and labor unions, and the public. Mr. Romero stated that for the people who came regularly to the Commission meetings, they knew how crazy the Commission meetings could get and how emotional, passionate, aggressive as well as supportive people could be, but throughout all of the difficult meetings, Marcia kept her principles and although she may have been upset, she never let that affect her judgment and that was a great attribute for a person in the Executive Director position. Mr. Romero stated that Marcia may have expressed her frustrations behind the scene, but that when it came to the decision-making process, she kept her integrity, principles and made her judgment based upon what she thought was best for the City and County of San Francisco and the mission of the Agency, and that was to be admired. Mr. Romero wished Marcia great success in whatever she chose to do, and that what was lost in the commendation resolution was what a fantastic lawyer Marcia is and as the Agency's Executive Director, there was not always a lot of opportunity for Marcia to utilize her skills as a lawyer because her position required objectivity and that Marcia did a very good job as Executive Director. Mr. Romero stated he did not know what Marcia was going to do in her retirement and hoped that she would take some time and enjoy life a little bit, but that he was certain that a person of great talent

like Marcia would be doing something significant in the future, and wished her great success in her future endeavors.

Commissioner Covington seconded Commissioner Romero's motion to adopt item 4 (d). Ms. Covington stated that it was strange to hear the name of Marcia Rosen and retirement in the same sentence because Marcia was such a whirlwind and had so much energy, that she (Ms. Covington) could not imagine Marcia's retirement as more than just a pause before the next chapter in Marcia's career. Ms. Covington stated that Marcia had been a great Executive Director and helped launched a number of important initiatives, including the adoption of redevelopment plans for Rincon Point – South Beach, South of Market, Transbay, Bayview Hunters Point as well as being the president of the California Redevelopment Association (CRA). Ms. Covington stated that as she traveled across the State and attended the CRA meetings and conferences, she would invariably be asked where she was from and when she told people that she was from San Francisco, they would just exclaim how lucky San Francisco was to have Marcia Rosen as the Agency's Executive Director, and that she (Ms. Covington) would tell them that she knew this. Ms. Covington wished Marcia the very best and stated that she was glad to see Marcia's cheeks turning rosy, her smile broadening and a little more pep in her step, and congratulated her on her retirement.

Commissioner Singh wished Marcia and her family the very best and that he would miss her.

Commissioner Cheu stated that one of things she noticed with Erwin Tanjuaquio, James Nybakken and Marcia Rosen retiring was how young people retired from the Agency and how long they had worked at the Agency. Ms. Cheu stated that she had known Marcia when she was at the Mayor's Office of Housing and that she had always been impressed with the skill in which Marcia weaved her way through the complexities of redevelopment in California to improve the neighborhoods in San Francisco. Ms. Cheu stated that it takes a lot of creativity and perseverance to get things done and Marcia's skills and talents were just very impressive, and that she (Ms. Cheu) had also seen Marcia in a statewide context when she attended CRA conferences for many years, and that she had the same experiences as Commissioner Covington where everybody was saying how lucky San Francisco was to have Marcia as the Agency's Executive Director. Ms. Cheu stated she believed that Marcia's work had launched San Francisco to be a model both statewide and nationally in affordable housing development, which made her (Ms. Cheu) very proud to be from San Francisco because it seemed that San Francisco was just so far ahead of other cities. Ms. Cheu wished Marcia the very best and that she looked forward to working with Marcia in the future, and in the meantime, to enjoy herself in her retirement.

Commissioner Breed stated she remembered having lunch with Marcia when she first came to the Agency Commission, and remembered something that Marcia said that changed her mind about career opportunities, which was that Marcia's position as Executive Director was not just a job, but a career and that she enjoyed her work and took pride in the work that she did. Ms. Breed stated that she began reading all of the Commission meeting materials, she realized the great capacity of the work that Marcia did for the Agency on a wide range of issues, from affordable housing to museums and alleyways and Marcia had been responsible for all of it and treated every situation with as much importance as everything else. Ms. Breed stated that she respected how Marcia treated even the smaller or minor issues with the same import as the major undertakings of the Agency, and that she (Ms. Breed) knew that Marcia worked hard and that she had a good reputation with so many people because she constantly heard from people about their positive experience with Marcia and the Agency. Ms. Breed stated that Marcia had come a long way with her leadership at the Agency, which was why the Agency was at such a high level, and that she (Ms. Breed) had learned a lot from Marcia, and although they had disagreed in the past, she respected Marcia for her passion and that she would remember Marcia as a person who did her best to make the City a better place. Ms. Breed stated she wanted to show her appreciation for all of the hard work that Marcia did and wished the best in her retirement.

Commissioner King stated that it had been a pleasure knowing and working with Marcia and remembered when he and former Commissioner Benny Yee had breakfast with Marcia when she was appointed as the Executive Director, and that she had been a wonderful Executive Director and that he appreciated all that Marcia had done for the Agency in providing great leadership and thanked her for the years of service to the Agency. Mr. King asked Marcia not to go too far as the Agency may call on her in the future.

President Peterson stated that everything that was said about Marcia was true, that she worked tirelessly and had unquestionable integrity with a huge heart as well as a tremendous pride for the work she did, and that she also had fabulous smarts and a great mind along with a truly committed attitude, what the Agency had was a great package, which was very fortunate for the Agency. Mr. Peterson stated that he had enjoyed working with Marcia for almost three years now, and that the City owed Marcia a great debt of gratitude, because being Executive Director was not an easy job to do as there had been personal attacks and insults as well as very tough and complex issues, but that through it all, Marcia carried herself with terrific professionalism and the City was far better off with her involvement as Executive Director. Mr. Peterson thanked Marcia for her dedicated service and wished her the very best. Mr. Peterson gave Marcia a bouquet of roses on behalf of the Agency Commission.

Ms. Marcia Rosen thanked the Commissioners for their remarks and also congratulated Ms. Gina Solis on being appointed as the Commission Secretary and thanked Mr. Erwin Tanjuaquio, and stated that she was certain that they would provide the same support to the Agency's new Executive Director, Mr. Fred Blackwell, as they had provided to her. Ms. Rosen thanked the talented, diverse and dedicated Agency staff from so many different disciplines that brought their intelligence, passion and commitment to public service to the various Agency programs under the leadership of the Commission. Ms. Rosen stated that before coming to the Agency, she spent much of her career in finding things that government did wrong and trying to make government more responsive, better and more equitable and more true to social, economic and racial justice, and that sometimes from the perspective of an outsider, one could not really get to see the work, skills and commitment of the people working inside government. Ms. Rosen stated that San Francisco really had a progressive Redevelopment Agency with a mission dedicated to what she called "equitable development," which she believed that Mr. Blackwell's mother had written on the subject, and to infuse development with progressive values so that it would create the economic, housing and inclusion opportunities as well as the improvement of the public sphere for the creation of true communities with wonderful public spaces such as museums, parks, marinas and libraries. Ms. Rosen stated that she would always cherish this work of the Agency and thanked the Commission for the wonderful opportunity to be a part of that important work, and that she would really miss working with each of the Commissioners.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 99-2007, COMMENDING AND EXPRESSING APPRECIATION TO MARCIA ROSEN UPON HER RETIREMENT FROM HER POSITION AS EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

President Peterson stated he wanted to take the time to formally welcome the Agency's new Executive Director, Mr. Fred Blackwell, and that the Commission looked forward to working with him and that the Agency was very lucky to have Mr. Blackwell leading the Agency into the future.

- 4 (e) Resolution No. 100-2007, Authorizing a Predevelopment Loan Agreement in an amount not to exceed \$1,500,000 with Hunters View Associates, L.P., a California limited partnership, pertaining to the Hunters View housing development at Middle Point and West Point Roads; Bayview Hunters Point Redevelopment Project Area (Areas A and B); Citywide Tax Increment Housing Program; HOPE SF

Executive Director Fred Blackwell stated he wanted to remind the Commission that the matter before the Commission was actually under a broader umbrella called HOPE SF, which was an initiative of the Mayor's Office that was formulated by a task force, including Commissioner Francee Covington and was collaboratively staffed by the Housing Authority, the Mayor's Office of Housing and Community Development. Mr. Blackwell stated in that spirit, Mr. Matthew Franklin from the Mayor's Office of Housing and Mr. Greg Fortner from the Housing Authority, would be presenting the matter along with Agency staff.

Presenters: Matthew Franklin (Mayor's Office of Housing), Erin Carson (Agency staff), Greg Fortner (SF Housing Authority)

Speakers: Tessie Ester, Tamika Trammel, Oscar James, Larry Hollingsworth, Jack Gardner, Dorris Vincent

Commissioner Covington stated she thought the Commission had before it, an unprecedented opportunity to do a great amount of good and having served on the Public Housing Task Force, which was her pleasure to do so, involved residents and representatives from the various City agencies who worked collaboratively for many months to figure out how to make sure that the dilapidated homes with really inhumane conditions that existed because of the lack of money, and not because of the lack of will, would provide the opportunity to address the need. Ms. Covington stated that since the Federal government would not provide the necessary funding, the City and the Agency must dig into its own pockets to do what was right, because children should not be growing up in such circumstance and seniors having to deal with the lack of basic necessities. Ms. Covington stated that she was very pleased with the progress to date and that \$1.5 million seed money would be well spent with more funding to come. Ms. Covington read the HOPE SF mission statement: "We build our most distressed public housing sites while increasing affordable housing and ownership opportunities and improving the quality of life for existing residents and the surrounding communities." Ms. Covington stated that there are 267 units within the development, but that there were more people that lived in Hunters View that represented entire families that would be positively impacted by having the units rebuilt as well as other families that would have the opportunity to have wonderful new affordable rental housing as well as low- and moderate-income homeownership units and market-rate housing, and that people would have the opportunity to invest sweat equity into their new homes and help build the homes from the ground up with participation from Habitat for Humanity. Ms. Covington stated not only was this project a public-private partnership in the traditional sense, but that members of the task force also recommended the inclusion of program managers from the wonderful foundations in Northern California, which were also looking at the

opportunity to maximize the dollars that they invest in communities. Ms. Covington put forth a motion to adopt item 4 (e) and stated she hoped that the Commission would support this effort.

Commissioner Cheu stated this effort was very exciting and that people should realize how truly pioneering this was, the collaborative approach from the ground up, including working with the various City agencies, nonprofit organizations, tenants and the community, was truly remarkable. Ms. Cheu stated she also wanted to thank everyone from the task force who put in countless hours in the past several months, and that she would second Commissioner Covington's motion to adopt item 4 (e).

Commissioner Romero stated he wanted to express his support for the requested funding, and that although leaders in the Federal government liked to say that we live in the greatest country in the world, yet we have pockets of distressed communities like Hunters View, and that we could not really call America the greatest country in the world until such dire needs were addressed. Mr. Romero stated he thought that Mayor Newsom and Supervisor Sophie Maxwell deserved recognition for putting together the task force to continue to focus the attention to such an important matter. Mr. Romero thanked Commissioner Covington for her participation, and recalled that a couple of years ago, he served on the Mayor's Council to End Homelessness and even though it required attending a lot of meetings, it was important to participate, and Commissioner Covington's involvement was to be commended. Mr. Romero thanked Director Matthew Franklin and Executive Director Fred Blackwell for their efforts.

Commissioner Breed stated she wanted to echo the sentiments of her fellow Commissioners, and that this was a great collaboration and but it was about time because the dire conditions had existed for a very long time. Ms. Breed stated that it was really unfortunate that people had to live in such conditions, which she personally experienced herself, and that it did not appear that the leadership of the Housing Authority had changed in a way that the issues could be dealt with, and that they definitely needed the help of the City family to make the project a reality. Ms. Breed stated that she was not really surprised to hear the involvement of the John Stewart Company with no compensation, because Mr. John Stewart was the kind of person who always stepped-up to the plate, which was her experience when she worked with him at Treasure Island, and that Mr. Stewart always went above and beyond for the residents and the projects. Ms. Breed stated that she looked forward to the timely completion of the project and that everyone involved was to be commended and that she was very happy to support the project.

Executive Director Blackwell stated that he wanted to underscore what Director Matthew Franklin and Ms. Tessie Ester stated earlier about the resident participation and tenant capacity. Mr. Blackwell stated that one of the recommendations from the task force was that the resident participation in all of the HOPE SF projects be made meaningful by connecting them to independent sources of technical and legal assistance, and that he thought it was important that the money being requested for predevelopment remained whole, and that he wanted to point out that they had been working with a group of private foundations on putting together a pool for resident capacity grants and that process was moving forward. Mr. Blackwell stated that although they were working on finding other funding sources from the private sector, there may be a possibility that the HOPE SF project(s) may be requesting additional funding support from the Agency for the resident capacity portion of the project.

Commissioner Breed stated she wanted to mention that when the Plaza East development was being remodeled, the Housing Authority did not do a very good job with relocating the residents, and although meetings were held with the residents, there was no compassion or support and the information provided was not very clear. Ms. Breed stated she wanted to make sure that the Hunters View residents would be treated with respect and sensitivity when relocating them temporarily, and that she would ask that the City family work closely and cooperatively with the residents.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 100-2007, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$1,500,000 WITH HUNTERS VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, PERTAINING TO THE HUNTERS VIEW HOUSING DEVELOPMENT AT MIDDLE POINT AND WEST POINT ROADS; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA (AREAS A AND B); CITYWIDE TAX INCREMENT HOUSING PROGRAM; HOPE SF, BE ADOPTED.

- 4 (f) Informational Workshop on the Shipyard Legacy Fund Report, including its recommendations regarding investment priorities and a quasi-public entity to implement the community benefits program of the Disposition and Development Agreement for the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff), Scott Madison (HPS CAC), Junius Williams, Rick Rueben (Urban Strategies)

Speakers: Marcia Dale-Lewinter, Oscar James, Saul Bloom, Diana Oertel, Alma Robinson, Dorris Vincent

Commissioner Covington stated that it was exciting to see how far the process had gone and that she was really happy to hear about the pro-bono hours that the consultant had contributed to the project and thanked them. Ms. Covington stated that it would have been helpful to have copies of the PowerPoint presentation and requested that copies be provided to the Commission.

Mr. Thor Kaslofsky, Assistant Project Manager, stated that copies would be provided to the Commission and apologized for not having the copies at the meeting.

Commissioner Romero stated he thought that it was always important to recognize people when they did a lot of work on a project and the presentation was an indication of the hard work that was done. Mr. Romero stated that the Hunters Point Shipyard Citizens' Advisory Committee (CAC) was such a good group and that they were very participatory, which was much appreciated by the Commission. Mr. Romero stated that the CAC had excellent guidance from Urban Strategies and that he would also like a copy of the slide presentation. Mr. Romero stated he agreed with Mr. Oscar James remarks about involving the youth in the community.

President Peterson stated on behalf of the Commission, he would echo Commissioner Romero's sentiments that the CAC was particularly capable and committed and that their efforts and hard work was not lost on the Commission, and that the Commission recognized the tremendous work that they did every year and their efforts were to be applauded. Mr. Peterson stated that it was great to see progress on such an important element of the work in the Shipyard.

- 4 (g)** Resolution No. 101-2007, Approving the Blocks 11-12 Major Phase and Parks P2, P8, P10, P11 and P12 Concept Design application in the Mission Bay South Redevelopment Project Area pursuant to the Owner Participation Agreement with FOCIL-MB, LLC and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Commissioner Breed put forth a motion to adopt item 4 (g).

Commissioner Singh asked if the project architects had worked on other Agency or City projects.

Ms. Amy Neches, Senior Project Manager, stated that Brandon Allen Architects is an architectural firm, and that the work they were doing for Blocks 11-12 and the Mission Bay parks was more of an urban planning project, and that they worked throughout San Francisco as well as nationally, and they had worked on two other projects in Mission Bay, one a commercial office building that was underway, and a residential project that had been completed a number of years ago in Mission Bay North.

Commissioner Singh seconded Commissioner Breed's motion to adopt item 4 (g).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 101-2007, APPROVING THE BLOCKS 11-12 MAJOR PHASE AND PARKS P2, P8, P10, P11 AND P12 CONCEPT DESIGN APPLICATION IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (h), (i) and (j) were presented together and acted upon separately.

- 4 (h)** Resolution No. 102-2007, Authorizing an Amended and Restated Predevelopment Loan Agreement with Berry Street LLC, a California limited liability company (an affiliate and assignee of BRIDGE Regional Partners, Inc.), to increase the loan amount by \$1,056,069, for a total aggregate amount not to exceed \$4,737,604 for the development of up to 131 units of low- and moderate-income first-time homeownership housing at 330 Berry Street and 335 Berry Street; Mission Bay North Redevelopment Project Area
- 4 (i)** Resolution No. 103-2007, Authorizing a Grant Agreement with Berry Street LLC, a California limited liability company, in an amount not to exceed \$35,136,117 for the development of up to 131 units of low- and moderate-income first-time homeownership housing at 330 Berry Street and 335 Berry Street; Mission Bay North Redevelopment Project Area
- 4 (j)** Resolution No. 104-2007, Authorizing a Development and Disposition Agreement with Berry Street LLC, a California limited liability company, for the development of up to 131 units of low- and moderate-income first-time homeownership housing at 330 Berry Street and 335 Berry Street; Mission Bay North Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Commissioner Singh puts forth motions to adopt items 4 (h), (i) and (j).
Commissioner Romero seconded the motions.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 102-2007, AUTHORIZING AN AMENDED AND RESTATED PREDEVELOPMENT LOAN AGREEMENT WITH BERRY STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (AN AFFILIATE AND ASSIGNEE OF BRIDGE REGIONAL PARTNERS, INC.), TO INCREASE THE LOAN AMOUNT BY \$1,056,069, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$4,737,604 FOR THE DEVELOPMENT OF UP TO 131 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 103-2007, AUTHORIZING A GRANT AGREEMENT WITH BERRY STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT TO EXCEED \$35,136,117 FOR THE DEVELOPMENT OF UP TO 131 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 104-2007, AUTHORIZING A DEVELOPMENT AND DISPOSITION AGREEMENT WITH BERRY STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF UP TO 131 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (k) and (l) were presented together and acted upon separately.

- 4 (k) Resolution No. 105-2007, Authorizing a Third Amendment to a Predevelopment Loan Agreement with Bridge Housing Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$1,660,000, for a total aggregate amount not to exceed \$5,459,136, for the development of 116 units of very low-income senior rental housing at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

- 4 (l) Resolution No. 106-2007, Authorizing a Fourth Amendment to an Exclusive Negotiations Agreement to extend the term for 17 months, to November 30, 2008, and to amend the schedule of performance, and a First Amendment to a Lease Option Agreement to extend the term to November 30, 2008, with BRIDGE Housing Corporation, a California nonprofit public benefit corporation, for the development of 116 units of very low-income senior rental housing at 5600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenters: Pam Sims (Agency staff)

Speakers: Oscar James

Commissioner Covington thanked Ms. Pam Sims for her presentation, and referred to the chart on page 10 of the staff report, and noted that there were 12 studios planned and quite a few one-bedroom units, and asked why studio units were included in the proposed development.

Ms. Pam Sims, Development Specialist, stated that the reason why there was a mix of studios and one-bedroom units was to provide options for the seniors living in the Bayview Hunters Point. In addition, they also included studio units as part of the funding package so that the development would be more competitive for tax credits as the project would also be applying for tax credits in addition to the Section 202 funding.

Commissioner Covington requested verification that the two-bedroom unit was for the building manager. Ms. Covington asked if there were any discussions about seniors raising their grandchildren and the possible housing need for more than one person. Ms. Covington requested verification that the definition of a senior was 65 years old or 55 years old.

Ms. Sims affirmed that the two-bedroom units was for the building manager. Ms. Sims stated there were not discussions, however, she did not think that there would be any prohibition by the Department of Housing and Urban Development (HUD) if a senior had a child live with them, which would meet the occupancy standards of the proposed development. Ms. Sims stated that the definition of a senior was 62 years old.

Commissioner Covington put forth motions to adopt items 4 (k) and (l). Commissioner Singh seconded the motions.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 105-2007, AUTHORIZING A THIRD AMENDMENT TO A PREDEVELOPMENT LOAN AGREEMENT WITH BRIDGE

HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,660,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$5,459,136, FOR THE DEVELOPMENT OF 116 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (I) RESOLUTION NO. 106-2007, AUTHORIZING A FOURTH AMENDMENT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT TO EXTEND THE TERM FOR 17 MONTHS, TO NOVEMBER 30, 2008, AND TO AMEND THE SCHEDULE OF PERFORMANCE, AND A FIRST AMENDMENT TO A LEASE OPTION AGREEMENT TO EXTEND THE TERM TO NOVEMBER 30, 2008, WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 116 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Commissioner Covington stated she forgot to ask what kind of provisions were being made to make sure that the jobs would be distributed within the Bayview Hunters Point community during construction.

Ms. Sims stated that she would ask Mr. Kevin Griffin from Bridge Housing to respond, but that the employment workforce had been addressed as part of the community benefit package and that the 5600 Third Street project was under the Agency's Contract Compliance's Minority/Women Owned Business Enterprise Program, and the developer would be complying.

Mr. Kevin Griffin from Bridge Housing, stated that they had partnered with Young Community Developers on the demolition and remediation phase of the project, which took place last year, and that they had an agreement already in place for the construction of the affordable homeownership units, which was scheduled to start next month, and that Bridge fully expected to continue that relationship with the construction of the senior housing.

Commissioner Covington requested that when the project comes before the Commission next time, to have a breakdown of who had been employed in what category.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Oscar James, Silvia Johnson

7. **REPORT OF THE PRESIDENT**

- President Peterson stated that he did not have a formal report, but that he again wanted to welcome Mr. Fred Blackwell to the Agency, and that the Commission looked forward to working with him and that the Commission had high expectations from Mr. Blackwell.

8. **REPORT OF THE EXECUTIVE DIRECTOR** None.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

- Commissioner Breed announced that Executive Director Fred Blackwell was being sworn-in on Friday, September 21st at 12:00 noon, at the Mayor's balcony in City Hall.

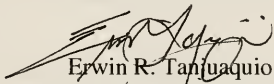
10. **CLOSED SESSION**

- 10 (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the 1210 Scott Street, (Block 0729, Lot 044) property, and the party with whom the Agency may negotiate is the Jewish Community High School of the Bay. Agency negotiators: Fred Blackwell, Olson Lee, Amy Lee, James Morales, Gaynell McCurn, Sally Oerth, Michele Davis, Tracie Reynolds and Denise Blades.

11. **ADJOURNMENT**

It was moved by Ms. Breed, seconded by Ms. Covington, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:46 p.m.

Respectfully submitted,


Erwin R. Tanguaquo
Acting Agency Secretary

APPROVED:

October 2, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
AND

MINUTES OF A SPECIAL MEETING OF THE CITY AND
COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY
HELD ON THE 2ND DAY OF OCTOBER 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of October 2007, at the place and date duly established for holding of such a meeting.

Vice-President Francee Covington called the meeting to order at 4:00 p.m.

Vice-President Covington announced that on Monday, October 1st, Agency Commission President Rich Peterson tendered his resignation from the Agency Commission to Mayor Gavin Newsom, citing family and business time pressures, and that Mr. Peterson decided it was appropriate to step down. Ms. Covington stated that Mr. Peterson would be missed and thanked him on behalf of the Agency for his dedicated work on the Agency Commission.

Ms. Covington welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, Vice-President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

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Fred Blackwell, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of September 18, 2007

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF SEPTEMBER 18, 2007, BE ADOPTED.

At this time, approximately 4:06 p.m., the Agency Commission recessed to consider items on the Financing Authority Agenda.

The City and County of San Francisco Redevelopment Financing Authority met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:07 p.m. on the 2nd day of October 2007, at the place and date duly established for holding of such a meeting.

1. Matters of New Business:

- 1 (a) Resolution No. 4-2007, Authorizing the issuance of 2007 Series A taxable tax allocation revenue bonds (San Francisco Redevelopment Projects) in an increased initial aggregate principal amount not to exceed \$120,000,000 by amending resolution No. 1-2007; approving forms of an indenture of trust, loan agreements and official statement; authorizing the competitive sale of the bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, Mission Bay North Project Area, Rincon Point- South Beach Redevelopment Project Area, South of Market Redevelopment Project Area, Transbay Redevelopment Area, and Yerba Buena Center Approved Redevelopment Project Area D-1)

Presenters: Mario Menchini (Agency staff)

Board member Breed put forth a motion to adopt item 1 (a).

Board member Singh asked what the interest rate was for the proposed bond issuance, and requested verification that the bonds were not tax-exempt.

Mr. Mario Menchini, Senior Financial Analyst, stated that he anticipated that the interest rate for the bond issuance would be no more than six percent. Mr. Menchini affirmed that the bonds would not be tax-exempt and that was in order to have sufficient flexibility in the Agency's housing program to make loans from the bond sales proceeds, which could not be done with tax-exempt bonds.

Board member Singh seconded Board member Breed's motion to adopt item 1 (a).

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 1 (a) RESOLUTION NO. 4-2007, AUTHORIZING THE ISSUANCE OF 2007 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN INCREASED INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$120,000,000 BY AMENDING RESOLUTION NO. 1-2007; APPROVING FORMS OF AN INDENTURE OF TRUST, LOAN AGREEMENTS AND OFFICIAL STATEMENT; AUTHORIZING THE COMPETITIVE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, MISSION BAY NORTH PROJECT AREA, RINCON POINT- SOUTH BEACH REDEVELOPMENT PROJECT AREA, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, TRANSBAY REDEVELOPMENT AREA, AND YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1), BE ADOPTED.

2. Adjournment

It was moved by Mr. Romero, seconded by Ms. Breed, and unanimously carried that the Financing Authority meeting be adjourned. The meeting adjourned at 4:14 p.m.

The Agency Commission reconvened at 4:16 p.m. to consider the remaining Agenda

REGULAR AGENDA

- 4 (b)** Resolution No. 108-2007, Authorizing the execution of loan agreements in an aggregate principal amount of not to exceed \$120,000,000 relating to the issuance of 2007 Series A taxable tax allocation revenue bonds (San Francisco Redevelopment Projects) by the City and County of San Francisco Redevelopment Financing Authority by amending Resolution No. 44-2007; approving the final official statement relating to the bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, Mission Bay North Project Area, Rincon Point- South Beach Redevelopment Project Area, South of Market Redevelopment Project Area, Transbay Redevelopment Project Area, and Yerba Buena Center Approved Redevelopment Project Area D-1)

Presenters: Mario Menchini (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (b).

Commissioner Singh asked who the underwriter was for the proposed bonds.

Mr. Mario Menchini, Senior Financial Analyst, stated that there was no underwriter as the bonds would be sold competitively, and that there would be an announcement of a specific date when the bonds would be sold and investment banking firms primarily, would be submitting bids and the firm submitting the lowest interest cost would be the winning bidder.

Commissioner Singh seconded Commissioner Romero's motion to adopt item 4 (b).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 108-2007, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$120,000,000 RELATING TO THE ISSUANCE OF 2007 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY BY AMENDING RESOLUTION NO. 44-2007; APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, MISSION BAY NORTH PROJECT AREA, RINCON POINT- SOUTH BEACH REDEVELOPMENT PROJECT AREA, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, TRANSBAY REDEVELOPMENT PROJECT AREA, AND YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1), BE ADOPTED.

- 4 (c) Resolution No. 109-2007, Authorizing a non-binding Term Sheet with 1210 Scott Street, LLC, a Delaware limited liability company, for the acquisition of 1210 Scott Street (Assessor's Block 729, Lot 46) for the expansion of a private, coeducational high school, which is known as the Jewish Community High School of the Bay, and authorizing the Executive Director to take all necessary steps to prepare agreements and related documents consistent with the Term Sheet; Western Addition Redevelopment Project Area A-2

Executive Director Fred Blackwell stated that the proposed term sheet for the Commission's consideration was the result of the Mayor's Office intervention and effort to try and create a win-win situation out of two laudable activities competing with each other, one being the recreational and community use proposed by the Jewish Community High School, and the other being the need to address some of the City's affordable housing needs. Mr. Blackwell stated that at the August 21st Commission meeting, it was proposed that the sale of the 1210 Scott Street property go to the Jewish Community High School and that the proceeds from the sale be linked to the Agency's Certificate of Preference Program. Mr. Blackwell stated that as the Commission knew, the Agency's Certificate of Preference Program provided priority to certificate holders for new affordable housing and business opportunities, and that by linking the sale of the property to the Agency's Certificate of Preference Program, it would provide much needed substance to the program, including down-payment assistance as well as potentially providing home-buyer training for certificate holders. Mr. Blackwell stated that there was also the potential of benefiting more people through the dedication of the sales proceeds to the program, rather than developing affordable housing on the site, which had an estimated yield of about 18 housing units. Mr. Blackwell stated that the proposed term sheet was a result of the Commission's direction to staff to negotiate a purchase price for the property, and that in the future Agency staff would bring to the Commission as well as the Western Addition Citizens' Advisory Committee (CAC), proposals for the use of the sales proceeds. Mr. Blackwell stated that staff would also bring a disposition and development agreement for the Commission's consideration in the future.

Mr. Blackwell introduced Ms. Adrienne Anderson as the staff person assigned to the Agency's Certificate of Preference Program, and that with a dedicated staff person, the Agency would be much more aggressive in being able to manage the program than in the past, particularly in locating certificate holders and ensuring that they were aware of affordable housing opportunities. Mr. Blackwell stated that the Agency was very happy to have Ms. Anderson on board.

Presenters: Olson Lee (Agency staff)

Speakers: Rev. Arnold Townsend, Charles Spencer, Charlie Walker, Noni Richen, Neil Taxy, Kerry Lanigan, Ace Washington, Rev. Amos C. Brown, Randall Evans

Commissioner Romero stated that this was not the first time the matter was before the Commission and that to his recollection, the 1210 Scott Street matter had been before the Commission at least four times previously. Mr. Romero stated he thought that the process had been good where there was opportunity for input from everyone concerned, and as far as the CAC was concerned, he really wanted to have their input and that he would urge the CAC to meet on a regular basis and that it was unfortunate that the chair of the CAC expressed the views he did, but that at the same time, he (Mr. Romero) did not think that the CAC had been without input on the subject matter. Mr. Romero stated that he wanted to look at the proposal before the Commission, which he thought was a fair proposal and looked like a win-win situation because it took into consideration in a very serious way, the need for affordable housing in the Western Addition, and thought that it addressed an important need in the community for a gymnasium. Mr. Romero stated he wished that all of the Commission's decisions involved such good goals as was the case with the 1210 Scott Street, but that in such decisions, Commissioners had to use their best judgment, and that his best judgment was that it was a fair proposal. Mr. Romero put forth a motion to adopt item 4 (c).

Commissioner Breed stated that the matter had been before the Commission for a long time and recalled that when the Request for Proposals was first issued about two years ago, she had received feedback from the CAC requesting more information on the matter, and that her fellow Commissioners supported her request that the CAC review the matter and provide recommendations to the Commission, which it did, but that the Commission declined to support the CAC's recommendations. Ms. Breed stated that her concern now was that members of the CAC felt that they were not given proper notice as to why its recommendations were not supported by the Commission, and that she was disappointed to hear that had happened. Ms. Breed stated she felt that when the Commission chooses not support a recommendation from the CAC especially in a closed session meeting, the Commission should make it clear to the CAC as to why it did chose not to support that particular recommendation. Ms. Breed stated that there was a lot of tension between the Agency and the CAC, with which she was very disappointed, and that she was hoping that the Agency could figure out a way to develop a better relationship, but that she was not going to take the blame for the problems with that relationship, because she always tried to make the best decisions and support the CAC. Ms. Breed stated that she had an understanding of the CAC's position on the matter, but that she believed that there were a lot of mistakes made from both sides. Ms. Breed stated that she was not overwhelmingly excited about the proposal and that achieving the goal of bringing back African American families to San Francisco and that the affordable housing to be built would

be occupied by African American families, was a reality based on her experience. Ms. Breed stated that she was supportive of the proposed sale of the property, but that she had concerns and questions about the proposed use of the sales proceeds, and that she was not certain as to how the proceeds could be designated for certificate holders only, because the resolution before the Commission did not explicitly state that. Ms. Breed stated that her approval of the proposed sale of the property would be contingent upon expanding the Agency's Certificate of Preference Program to include grandchildren and also that the resolution include language for the specific use of the revenues from the sale of the property. Ms. Breed stated that one of the things that the Jewish Community School previously proposed was the use of the gymnasium by the community during non-school hours, and asked why that was not included in the proposed term sheet.

Mr. Olson Lee, Deputy Executive Director for Housing, stated that he would ask representatives from the Jewish Community High School to address that question, but that the use of the proposed gymnasium was not a typical term in real estate transactions.

Commissioner Breed stated that she wanted to be clear that she wanted the use of the proposed gymnasium stipulated either in the term sheet or some other document like a separate memorandum of understanding, because this was one of the concerns from the community, that the high school proposed the use of the gymnasium by the community in order to garner support from the community, and although she understood that such stipulation may not be appropriate for a term sheet or a purchase agreement, but that there could be exhibits attached to the term sheet that would include such stipulations. Ms. Breed stated that was what she wanted done and to outline specific hours of operations based on the high school calendar in order to have assurance that the community would be able to use the gymnasium, and to also include the costs for school monitors, which she would prefer the school to pay. Ms. Breed inquired about the proposed 10-year term to negotiate the purchase of the property, and asked if staff believed this was a reasonable time frame.

Mr. Lee stated that the 10-year term was negotiated as a compromise in order to balance the desire to move the process along as expeditiously as possible and to provide the school with the time to raise the necessary funds to complete the construction of the proposed gymnasium as well as to get the entitlements for the gymnasium facility, which may have to go through the City's Planning Department if the process went beyond the expiration of the Western Addition A-2 Redevelopment Plan in January 2009. Mr. Lee stated he believed this was a reasonable time frame.

Commissioner Breed stated that she wanted to know specifically what the plans would be for that 10-year time period, including the time frame for the school's fund-raising and completing the development process through construction of the gymnasium.

Mr. Lee stated that such items were still unclear because they were just at the term sheet stage and not at the disposition and development agreement stage, which would provide more details about the high school's specific plans.

Commissioner Breed asked what would happen if after 10 years, the gymnasium was not built, if the Agency could re-purchase the property, which may not be possible because presumably, the sales proceeds would have been expended, hopefully on the Certificate of Preference Program.

Mr. Lee stated that the disposition of the property would be a contract and the Agency would have the right to repurchase the property using either non-tax increment funds or affordable housing tax increment funds.

Commissioner Breed asked if the Agency repurchased the property, if it would have the ability to put the property out to bid for development.

Mr. Lee stated that if the Agency repurchased the property, it would be an Agency-owned parcel that the Agency could dispose of.

Commissioner Breed referred to line 3 of the proposed term sheet, which stated "to complete the gymnasium and/or classrooms," and that it was her understanding that the proposal was for a gymnasium and that classrooms could potentially be added, but not "or," which was a concern to her.

Mr. Lee stated that for purposes of the term sheet, the intent was to provide flexibility, and that it was his understanding that the high school's intent is to build a gymnasium on the site and potentially, additional classroom space.

Commissioner Breed stated that she was fine with the "and classrooms," but that she was concerned with the "or classrooms" language, and that when the matter was brought back to the Commission, that language should not be included.

Acting President Covington asked if Commissioner Breed was proposing a friendly amendment to Commissioner Romero's motion to adopt item 4 (c).

Commissioner Breed stated that she was not proposing an amendment to the main motion at this time, and that she just wanted to express her concerns so that they could be included when the matter was brought back for the Commission's consideration.

Commissioner King seconded Commissioner Romero's motion to adopt item 4 (c). Mr. King stated that the Commission instructed and gave authority to the Executive Director to negotiate the purchase of the property and that was what was before the Commission. Mr. King stated he felt that it was not appropriate to include additional controls on the proposed term sheet and that the only thing he regretted was that the CAC did not have the opportunity to discuss the proposal further. Mr. King stated he believed that it was time for the Agency to move forward on the matter so that the Agency could have additional funds to develop the sorely needed affordable housing in the Western Addition for the benefit of certificate holders.

Commissioner Cheu stated that she also supported the proposed sale of the property and she thought that having the flexibility of having an additional \$4 million to beef-up the Agency's Certificate of Preference Program was more valuable than the number of units that could be built on the site. Ms. Cheu stated that she was really disheartened like her fellow Commissioners with what had happened with the process and the lack of the involvement by the CAC, and that she would urge the Commission, staff and the CAC to work together on the plans for the \$4 million with an opportunity to start fresh, because it was a serious concern that there was no input from the CAC with all of the important decisions being made about the Western Addition, and that it was important to rebuild the relationship with the CAC for the last couple of years when the redevelopment plan was set to expire. Ms. Cheu stated that she shared Commissioner Breed's concern about the 10-year time frame because that was a long time to not have the resource that the Agency would like to have, and that hopefully, representatives from the high school would be able to address the concern.

Mr. Jim Reuben from the law firm of Junius and Reuben, stated that they had been working with the Jewish Community High School for only a week, and that the negotiations were at a preliminary stage and that the 10-year time frame was intended to give them the needed time to complete the development process, but that the \$4 million would be transferred to the Agency and the property would change ownership, which would be followed by an entitlement process, presumably with the City's Planning Department, and that process could take two to three years, and then there would be a fund-raising program that was yet to be developed. Mr. Reuben stated there would be communications with Agency staff as they negotiated the details of the disposition and development agreement, which was a fairly intricate and complex document, and that he expected that there would be periodic updates to the Commission as the process went along.

Commissioner Singh stated he agreed with his fellow Commissioners and that the \$4 million was a lot of money that the Agency could use to provide at least 40 people the opportunity to avail of new affordable housing especially for certificate holders. Mr. Singh stated that he supported the sale of the property and the proposed non-binding term sheet with the Jewish Community High School.

Acting President Covington stated that as everyone knew, she had been concerned with the number of certificate holders that were yet to be found and she thought that the proposal would give the Agency the necessary seed money to locate certificate holders and to help them with affordable housing opportunities. Ms. Covington stated that when the Mayor's Office proposed that the sales proceeds be used for the Agency's Certificate of Preference Program, she was delighted because the monies were very necessary. Ms. Covington stated she wanted to know exactly what was being offered by the high school in addition to the \$4 million sales price, such as access to the gymnasium and other features.

Mr. Lee stated he believed that the high school had not yet formulated the detailed plans for the proposed gymnasium.

Mr. Reuben stated that in response to Commissioner Breed's concerns, it was important to put into the record that the high school had made a commitment to make the gymnasium available to the community and that they were going to negotiate the details during the disposition and development agreement stage, and beyond that, he did not know because further details were yet to be developed, but that they would work with Agency staff and perhaps, there were additional things that the high school could do relating to the community.

Acting President Covington stated that for her, when the matter comes back to the Commission, it would be important to have a list of amenities that would be offered to the community. Ms. Covington asked if there was discussion about a shorter time period than the 10-year time frame.

Mr. Lee stated that initially, staff discussed a shorter time period, but that the 10-year time frame was a compromise to accommodate the high school's need to have time for the entitlement process as well as the time necessary for fund-raising, and that the time frame was a compromise due to the fact that the high school would be paying a premium price for the property.

Acting President Covington stated that she agreed with Commissioner Breed, and that as she stated previously, the gymnasium would be the only thing listed on the term sheet, and that classrooms would be fine, but that there should not be other uses from her point of view.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 109-2007, AUTHORIZING A NON-BINDING TERM SHEET WITH 1210 SCOTT STREET, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR THE ACQUISITION OF 1210 SCOTT STREET (ASSESSOR'S BLOCK 729, LOT 46) FOR THE EXPANSION OF A PRIVATE, COEDUCATIONAL HIGH SCHOOL, WHICH IS

KNOWN AS THE JEWISH COMMUNITY HIGH SCHOOL OF THE BAY, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL NECESSARY STEPS TO PREPARE AGREEMENTS AND RELATED DOCUMENTS CONSISTENT WITH THE TERM SHEET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (d)** Resolution No. 110-2007, Endorsing the Shipyard Legacy Fund Report, including its recommendations regarding investment priorities and a quasi-public entity to implement the community benefits program of the Disposition and Development Agreement for the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff)

Speakers: Scott Madison, Marcia Dale-LeWinter, Dorris Vincent

Commissioner Romero stated that the Commission had a workshop on the Legacy Fund Report previously, and that he again wanted to thank everyone for the hard work and that the Agency and the City was blessed to have hardworking members of the CAC and the Project Area Committee in the Bayview Hunters Point, which made the Agency's work so much easier because of their dedication and commitment. Mr. Romero stated the Agency and the CAC had a great consultant helping out and thought that it was a good plan, and put forth a motion to adopt item 4 (d).

Commissioner Breed inquired about the recommendations for people to serve on the board of directors, and that she assumed further details would be provided to the Commission about the composition of the board of directors, and asked who specifically, would appoint the members.

Mr. Thor Kaslofsky, Assistant Project Manager, stated that the Mayor's Office of Economic and Workforce Development as well as the Mayor's Office of Base Reuse worked with the Agency and the CAC, and that the Mayor would appoint members to the board of directors.

Commissioner Breed seconded Commissioner Romero's motion to adopt item 4 (d).

Acting President Covington asked what the time frame was for appointing the initial 10 board members and then, the additional 7 members.

Mr. Kaslofsky stated that they did not yet have that information as the work had not yet begun and funds would be necessary to generate the formulation of the board of directors, and that they had discussed possible sources of funds with the Mayor's Office, but that the plan was not yet developed.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 110-2007, ENDORSING THE SHIPYARD LEGACY FUND REPORT, INCLUDING ITS RECOMMENDATIONS REGARDING INVESTMENT PRIORITIES AND A QUASI-PUBLIC ENTITY TO IMPLEMENT THE COMMUNITY BENEFITS PROGRAM OF THE DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (e) Resolution No. 111-2007, Conditionally approving the Open Space Schematic Design for Phase 1 of the Hunters Point Shipyard and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area

Presenters: Thor Kaslofsky (Agency staff), Kevin Conger (CMG Landscape Architects)

Speakers: Marcia Dale-LeWinter, Scott Madison, Dorris Vincent, Heidi Hardin

Commissioner Singh stated the open space had a beautiful design and that he liked the tiles proposed for the children's area, and put forth a motion to adopt item 4 (e).

Commissioner Romero referred to the photograph of the drinking fountains proposed for the open space pointing out that the drinking fountain had three spigots, one obviously for adults and a lower one for children, and requested verification that the spigot on the ground was for dogs.

Mr. Kevin Conger, Architect, affirmed that the lowest spigot on the drinking fountain was for dogs.

Commissioner Romero seconded Commissioner Singh's motion to adopt item 4 (e).

Acting President Covington stated that she was happy to hear that the grove of trees on the hillside had been spared, and that to the extent that skateboarding could be discouraged in the parks, that would be helpful. Ms. Covington stated that she particularly liked the children's tile work being elevated because as people approached the seating areas, they would really be able to see the beautiful details of the children's tile work. Ms. Covington asked if the idea of a community garden was taken off the board and if so, why.

Mr. Thor Kaslofsky, Assistant Project Manager, stated that there would be opportunities for community gardens within the 20 pocket parks proposed and that within Innes Court, one side of the park would be reserved for a community garden.

Acting President Covington stated that she is a great fan of community gardens and that she was happy to hear that the plans included them. Ms. Covington stated she thought the proposed tot lot was wonderful, and asked what amenities were proposed for teenagers.

Mr. Conger stated that the way Innes Court was laid out, the tot lot would be in the middle and two-thirds to the other side, would be the picnic tables that they believed would provide enough separation from the tot lot for older kids that could use the rest of Hill Point Park with seating and gathering areas that would provide more socially-oriented areas. Mr. Conger stated that in their experience, teenagers tended to congregate passively and if they were doing activities, it involved more active sports like basketball and the open lawn areas would provide recreational opportunities, including sports activities.

Acting President Covington stated that at the previous workshop, she had expressed concern about the proposed backless benches, which may pose hazards to very young children and the elderly.

Mr. Conger stated that they had also heard similar concerns from the City's Disability Access Coordinator, and that there were a number of issues they had to resolve as they moved into the next phase of the process of design development, and the benches would be one, and there would be benches with backs included in the proposed open space.

Commissioner Breed stated that she was actually a big fan of skateboarders and thought that there would be opportunities in the proposed parks, and that she recalled that there used to be a skate park up in the Hunters Point Hill that had not been used for a long time, and asked if the consultant could look into it, because she did not think that skateboarders should be discriminated against. Ms. Breed stated that skateboarding is a great sport and a lot teenagers enjoyed it and although dangerous, if people like extreme sports, it was very entertaining, and asked if that could be taken into consideration.

Commissioner Cheu stated she thought the open space had a first-class design and that it would be place that people would want to go to, and asked if the parks would require any extraordinary maintenance efforts in terms of costs and upkeep.

Mr. Conger stated that there would not be any extraordinary maintenance costs, and that the plan included maintenance and operations cost estimates that had been prepared as part of the plans.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 111-2007, CONDITIONALLY APPROVING THE OPEN SPACE SCHEMATIC DESIGN FOR PHASE 1 OF THE HUNTERS POINT SHIPYARD AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 112-2007, Authorizing a Second Amendment to the Disposition and Development Agreement with Jessie Square Garage Partners LLC, a Delaware limited liability company, and CB-1 Museum Partners LLC, a Delaware limited liability company, to revise the development budget to an aggregate amount not to exceed \$6.0 million for the Jessie Square improvements to be constructed on Central Block One and adopting environmental findings pursuant to the California Environmental Quality Act; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Glen Rescalvo (Architect)

Speakers: Thomas Simpson, Heather Hale, Mary Beth Smith, Connie Wolf, Monsignor Fred Bitanga

Commissioner Cheu put forth a motion to adopt item 4 (f) and asked if staff was comfortable with the time frame for the completion of the improvements given the tight schedule with the opening of the Contemporary Jewish Museum and that it would be critical that there were no construction activities on the opening day.

Ms. Amy Neches, Assistant Deputy Executive Director, stated that staff had worked very hard to get to this point and that they had worked closely with the Millennium Partners as well as Plant Construction, and that staff was confident that if the item was approved by the Commission, construction was scheduled to start in two weeks and that the construction would be completed by the end of April 2008, and that everything would ready for the opening of the Contemporary Jewish Museum.

Commissioner Breed stated that she also excited about the project, but she had a question about the Jessie Square Garage because she was personally having difficulty getting in and out of the parking garage because the doors on the Mission Street side locked after exiting and would not be able to get back in and would have to walk all the way around, and asked if there were any changes planned with the new plaza for better access to the parking garage.

Ms. Neches stated that with the completion of the plaza, problems with the access to the parking garage would be resolved. Ms. Neches stated that after completion of the plaza, there would no longer be the long walkway to access the garage, and that the garage elevators at the corner of Jessie Square would be accessible from Mission Street, Yerba Buena Lane and Third Street without impediment, and if one was going to the Four Seasons, one would just have to walk down Yerba Buena Lane.

Commissioner Breed asked if the stairwell would still be accessible, and if the garage elevators would provide easy access to St. Patrick's Church, the museum and the other facilities in Yerba Buena Gardens. Ms. Breed requested verification that the surface of Jessie Square Plaza would slope a little bit so that it would be handicap accessible.

Ms. Neches stated that there would be a direct level that would provide full accessibility to St. Patrick's Church. Ms. Neches affirmed that the plaza surface would be sloped to provide handicap accessibility.

Commissioner Breed stated that although it was hard to see what the completed plaza would look like, the illustrations looked good and if the people most affected by the plaza were satisfied, specifically St. Patrick's Church and the Jewish Museum, then she would also be satisfied, and that she could not wait for the opening of the Contemporary Jewish Museum, which she thought would be a great cultural addition to the area, and that she hoped that the Mexican Museum could be added sooner, rather than later and that she was optimistic about that. Ms. Breed seconded Commissioner Cheu's motion to adopt item 4 (f).

Acting President Covington stated she thought that the Jessie Square Plaza was a lovely addition to the neighborhood, and that all of the people who lined up for Beard Papa would have a place to sit. Ms. Covington stated that she would also like to emphasize that the plaza construction be completed in advance of the Jewish Museum's scheduled opening.

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED THAT ITEM 4(f) RESOLUTION NO. 112-2007, AUTHORIZING A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH JESSIE SQUARE GARAGE PARTNERS LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND CB-1 MUSEUM PARTNERS LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO REVISE THE DEVELOPMENT BUDGET TO AN AGGREGATE AMOUNT NOT TO EXCEED \$6.0 MILLION FOR THE JESSIE SQUARE IMPROVEMENTS TO BE CONSTRUCTED ON CENTRAL BLOCK ONE AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (g) Workshop on the Visitacion Valley Redevelopment Plan adoption process

Presenters: Tom Evans (Agency staff), Stephen Shotland (Planning Dept.)

Speakers: Ace Washington

Commissioner Romero thanked Mr. Tom Evans and Mr. Stephen Shotland for an excellent and informative presentation. Mr. Romero stated that one of the maps showed that the proposed project area boundary went all the way to the San Mateo County line and asked if that was the case, because he thought that the San Francisco County line was at Geneva Avenue.

Mr. Tom Evans, Planning Supervisor, stated that the proposed project area did share a boundary line with the San Mateo County line, and that the San Francisco County line was primarily at Geneva Avenue, it did cross over to the San Mateo County line, and pointed to a regional area map that showed both of the county lines.

Commissioner Romero stated he did not think he had driven along Leland Avenue often, but that his recollection was that it was mostly residential and asked if that was correct.

Mr. Evans stated that Leland Avenue was actually a mixed-use neighborhood like a lot of the neighborhood commercial corridor where there were residential above storefronts and that farther west, it becomes primarily residential.

Commissioner Singh asked when the planning process was expected to be completed with the adoption of the redevelopment plan, and when construction of proposed improvements would begin.

Mr. Evans stated that any construction on the Schlage Lock site would have to follow a remediation program, and assuming there was a settlement agreement of the pending litigation and there was consensus on the overall revitalization of the area, the northern portion of the site would require 18 months of cleanup and two years would be required for the entire site. Mr. Evans stated that the court date for the possible settlement was scheduled in November 2007 and that the remediation program would be expected to begin around that time, with exploratory and technical evaluations for the remediation. Mr. Evans stated that actual building would not begin in earnest for about two or three years and the proposed redevelopment plan included a project build out to the year 2020.

Commissioner Breed complimented Mr. Evans in doing a great job and swift progress on the survey area planning for Visitacion Valley, because she did not anticipate the Agency to be this far along the planning process. Ms. Breed stated she thought that the proposed development and

revitalization program that Mr. Evans described would bring much needed improvement to the area and that she knew that the small businesses in the area had been in the neighborhood for a long time, and that she would urge the Agency to continue its approach with the residents and businesses with a lot of sensitivity, which was the feedback she had received from the community, and hoped that would continue. Ms. Breed stated that it looked like the proposed project would be a success and she looked forward to future updates.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Patrick Prescod, Randall Evans, Ace Washington

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Fred Blackwell reported that on Thursday, October 4th, the Planning Commission will be holding their meeting in Bayview Hunters Point, and that the Planning Commission and District 10 Supervisor Sophie Maxwell had requested the Agency to provide an update on the Agency's ongoing work in the Bayview Hunters Point at this meeting. Mr. Blackwell stated that he would be attending with designated Agency staff working in Bayview Hunters Point to provide a progress report to the Planning Commission. Mr. Blackwell stated that as the Commission knew, it was very important to coordinate the Agency work on the Bayview Hunters Point Redevelopment Plan with the Planning Commission because the entitlements for the development and land use program for Bayview rested with the Planning Commission, and this was a way of making sure that the Agency was in lock-step with the Planning Commission as revitalization efforts in the area moved forward.
- Informational memoranda:
 - Request for Proposals (RFP) for the Municipal Railway Substation building – Mr. Blackwell stated that the RFP had been reviewed by the Western Addition CAC as well as the Arts Commission, and that staff intended to release the RFP later this week, unless the Commission directed otherwise.

- Proposal for a Grocery Outlet store at 1336 Post Street in the Western Addition – Mr. Blackwell stated that this matter was also reviewed by the Western Addition CAC and that the proposal would have to conform to the Agency's Formula Retail Policy consistent with City policy, which was approved by the voters in San Francisco. Mr. Blackwell stated that the CAC had asked the Agency to waive the Formula Retail clause of the policy for the proposed Grocery Outlet store, but that there was not a waiver clause in the Agency's policy. As part of the process when the Agency receives a proposal for a formula retail use, the Agency would notify the broader neighborhood of the proposal and if there were no objections to the proposal, the project would move forward, but if there were objections, the Agency was required to hold a public hearing on the proposal.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Romero stated that he wanted to make sure that the Commission does something to recognize Mr. Rich Peterson's service to the Agency Commission and suggested a commendation resolution.
- Acting President Covington stated that there would be a commendation resolution for Mr. Peterson at the next Commission meeting.

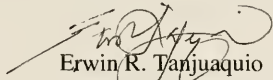
10. CLOSED SESSION

- 10 (a)** Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding potential disposition of Parcel CB-1-MM, and the Jessie Square Garage in the Yerba Buena Center Approved Redevelopment Project Area. The parties with whom the Agency would negotiate are 706 Mission Co. LLC, a Delaware limited liability company, Jessie Square Garage Tenant LLC, a Delaware limited liability company, and the Mexican Museum, a California nonprofit corporation. Agency negotiators: Fred Blackwell, Amy Neches, Tracie Reynolds, and Denise Blades.

11. ADJOURNMENT

It was moved by Ms. Breed, seconded by Ms. Cheu, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:41 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Acting Agency Secretary

APPROVED:

October 16, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
16TH DAY OF OCTOBER 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of October 2007, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

Ms. Covington announced the new Commission Secretary, Gina E. Solis.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, Vice-President
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh

London Breed was absent

Fred Blackwell, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

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3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of October 2, 2007

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF October 2, 2007, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 113-2007, Commending and expressing appreciation to Richard H. Peterson, Jr. for his services upon the occasion of his departure from his position as Commissioner of the Redevelopment Agency of the City and County of San Francisco

Presenter: Commission President Francee Covington

Commissioner Covington read the Commendation Resolution:

“Richard H. Peterson, Jr. served as a Commissioner of the Redevelopment Agency of the City and County of San Francisco (“Agency”) from April 26, 2005 to October 1, 2007. He was originally appointed to the Agency Commission by Mayor Gavin Newsom, elected as Commission President in 2005, and reelected as Commission President in 2006 and 2007. As Commissioner, he served with distinction, excellence, and commitment.

Mr. Peterson is the Managing Partner of Pacific Coast Residences, a company which purchases, rehabilitates and manages medium-size apartment communities in the Bay Area, catering to low- and moderate-income residents. Prior to starting this concern, Mr. Peterson worked for the Pacific Union Company in their development, project marketing and commercial groups. Mr. Peterson also spent several years in the consumer products industry, including Dreyer’s Grand Ice Cream, Inc. where he held the position of Manager of Innovation. He serves on the Board of The Guardsmen; a local charity focused on providing educational opportunities for local at-risk youth, and was a founding member of the Board of the San Francisco Urban Service Project, an “urban Peace Corps” initiative supporting schools and nonprofit organizations in the City.

Mr. Peterson brought astute leadership skills to the Agency Commission. His fellow Commissioners elected him as Commission President following his appointment and reelected him to two consecutive terms in 2006 and 2007. His gregarious and gallant personality served him well; as

Commission President, he led the Commission through demanding and sometimes arduous public meetings, while maintaining a great sense of humor and providing reasoned opinions about the public's best interests.

Mr. Peterson was a consensus builder and an advocate for the Redevelopment Agency's revitalization program. Mr. Peterson has been a staunch proponent of business and economic development for San Francisco's small businesses and minority and women-owned enterprises; he has strongly supported the Agency's Affordable Housing Program.

Accordingly, it is resolved by the Redevelopment Agency of the City and County of San Francisco, on behalf of its past and present Commissioners, Executive Directors and employees, acknowledges the services that Mr. Richard H. Peterson, Jr. has rendered to the Redevelopment Agency of the City and County of San Francisco and by this resolution expresses to Mr. Peterson its appreciation of work well done, its thanks for his dedicated public service, and its sincere wish for success in all of his future endeavors."

Commissioner Romero put forth a motion to adopt item 4 (b). Commissioner Singh seconded the motion.

Commissioner Romero stated as past President of the Commission when Commissioners' Peterson, Breed and Covington were appointed at the same time, one of his first tasks was to try to convenience one of the three to run for the Presidency, all demurred indicating establishing some experience on the Commission first and how it works. Commissioner Romero indicated that he managed to convince Mr. Peterson to come forward who proved to be an excellent choice. He stated that Mr. Peterson was a real unifier, not just in the way he ran the meetings but in the way he dealt with each Commissioner individually, not just coming to the meetings and having one on one conversations but attending a many meetings he didn't have to go to and threw himself in with both feet, that was to be admired. He stated that Mr. Peterson made a very positive impact which enabled the Commissioners to get the work done efficiently, showed true leadership which set a standard. Mr. Romero indicated that the resolution did not even begin to recognize the positive affect Mr. Peterson had on the Commissioners. Mr. Romero indicated that Commissioner Covington is going to do a fantastic job but does not take away from the fact that he did a great job. Mr. Romero wanted to thank Mr. Peterson personally for making his life a lot easier as well, wished him the best of luck in the future and knows that he is the kind of person that is very dedicated and loves this City.

Commissioner Singh indicated that he agreed with everything that is written in the Resolution; that Mr. Peterson is a leader and a consensus builder.

Commissioner King stated that he nominated Mr. Peterson for the second term and knows he did the right thing in that nomination; did a good job as

President and wished Mr. Peterson and his family a good future and thanked Mr. Peterson for the good service as Commission President and for the two and a half years he served at the Redevelopment Agency.

Commissioner Cheu stated that in the few months she worked with Mr. Peterson she was sincerely impressed with his leadership and appreciated how he made her feel very welcome from the beginning when she had numerous questions about what it meant to be on the Redevelopment Commission. Commissioner Cheu stated that Mr. Peterson was always very professional and noticed his dedication in always attending many meetings out of his goodwill, always had a very balanced approach, got business done, took the time to listen to people and was always very supportive of his fellow Commissioners when they had concerns. Commissioner Cheu also stated that she agrees with her fellow Commissioners that he was a unifier and was particularly impressed with the way he kept a sense of humor through some very trying meetings. She wished Mr. Peterson the best of luck.

Commissioner Covington indicated that she received a call from Mr. Peterson on a Friday morning, she was not in her office but left her a message that he must meet with her. She then indicated that she received a call Monday morning from Mr. Peterson who then informed her that he has tendered his resignation. Commissioner Covington stated it was one of the very few times in her life that she has been speechless, did not see it coming and that it was a total surprise and shock and indicated that she really wanted him to stay and did not want him to leave so soon. Commissioner Covington stated that there are a lot of people in the world whom she calls letterhead people; they join organizations, join boards and have their names on the letterhead but do not produce; Mr. Peterson is not one of those people. He came in, rolled up his sleeves, got into all aspects of the position of Commissioner and then as President of the Commission and did a wonderful job; he grew into the position, was a big guy when he came into this Commission but really grew in the position of President as well; spending a lot of time and effort, as others have said, in meetings with Agency Staff, openings of numerous facilities, being very accessible to people. Commissioner Covington thanked Mr. Peterson and stated that she will miss him.

Mr. Peterson indicated that he had several people to thank, starting first by thanking his wife Tanya for allowing him to put his heart and soul into the Agency's endeavors, putting up with the demands of the job of being a Commissioner of the agency, perhaps as much or more than other Commissions. Mr. Peterson indicated that the job of being a Commissioner is a very time consuming job, perhaps even more so when leading the Commission, nonetheless, a big time commitment for all. Mr. Peterson stated that when he was elected President and literally did not expect it until about the hour of that meeting, he had just come on the meeting with Commissioners' Covington and Breed and did not know what the President

was supposed to do. He stated that Commissioner Covington took him aside in the parking garage across the street and told him basically what to do as President; what he gleaned from it was; your job was to keep your mouth shut and let everybody else talk, stay out of the way and allow other people to work thru the process. Mr. Peterson indicated that once he got that down and learned this lesson, the next two and half years went as smoothly as possible.

Mr. Peterson stated that he had a few things to say to his fellow Commissioners, unfortunately Commissioner Breed was not able to attend this meeting due to a conflict but spoke to her privately and indicated it has been a lot of fun serving with Commissioner Breed.

The following is the statement by Mr. Peterson verbatim:

"Leroy, I would like to thank you for your unwavering commitment to the City, to your community, in particular and also to labor. I know that it's very important to you, always has been and always will be, and each of those entities are very lucky to have you up here and to have you be willing to serve so many years, going on your third decade on this Commission. Thank you for your endless energy and work on behalf of the Agency and the City. It really is so impressive, perhaps without parallel in the Commission world in this City's Government.

Darshan, I would like to thank you for your genuine kindness, your smile, your personal support of me, at the beginning and during my months on the Commission. I think you understood that there were times there was a struggle to sort of herd the cats, if you will, and you were very helpful in those moments in trying to support me in my efforts to lead the Commission. I really appreciate that and would like to thank you for that.

Linda, you and I have not known each other that long but you are a very impressive individual and we're very lucky to have you on this Commission. I was very excited when you were proposed as a potential Commissioner and I met with you over coffee and my call back to the Mayor's office is, get her confirmed before she thinks twice about what she's about to commit to. You're capable, you're level headed and your approach and your easy going demeanor is really an asset to this Commission and our efforts here.

Francee, I perhaps worked most closely with you than each of the others over the course of the last two and a half years and it's been a great, great honor. You are a principled person with a very principled approach to everything that you do, you have unyielding integrity, a sense of humor and a personal inner strength and a willingness to tackle tough issues that really set you apart from most other people in appointed leadership roles here in the City. You're not one to hide from the heat of the fire, there have been a couple of occasions, I'm sure you're recalling right now, that things got

particularly heated and you were able to face the heat with me, and alone at times, and you really are an outstanding individual in every respect. I have a lot of admiration for you personally and professionally and I'll miss working so closely with you, but I know that we'll stay in touch as I will with each of you.

Ramon, I would like to thank you for your logic and retinal approach to analyzing the complex issues that come before this Commission. A lot of the issues that we tackle, as you know, are emotionally charged and you are typically able, very successfully, able to distill those down and to the essence. In doing so you were able to come to sound conclusions and you were also very helpful in supporting me during some of those times. Also, as I became acclimated to the role of President, you were very helpful to me, as was Commissioner Yee though in a bit different respect. He sat to my right where Linda is sitting and he would whisper and sometimes yell into my ear incessantly during the Commission meetings and there were times when I would want to yield to Commissioner Yee and appoint him President because he certainly had a distinct perspective on every procedural aspect of our meetings.

Fred, I would like to thank you for your willingness to join the Agency and lead and help guide it during its next stage. You have the full tool box of skills necessary to do a great job, you are already off to a great start in the same way that we're very lucky to get Linda to sit on the Commission. We're very lucky, especially so quickly, convince you of the merits, personally and professionally taking over the helm of the Agency. You're going to do a terrific job; I know everybody will support you in your job. You're a fine man and easy to work with, I think that will be just a tremendous asset, not just for the staff and for the Commission in terms of their workings with you but with the community. You have a very good bedside manner, if you will, and that is going to pay dividends for the City of San Francisco.

Jim, I would like to thank you for your sound and unpolitical and unvarnished judgment, your integrity and your sharp legal mind over the course of the last two and a half years. Redevelopment Law is among the most complicated areas of law and you are able to get down to the essence and the bottom line of very complex equations and advice to this Commission very admirably. I would just like to recognize that and also thank you for your personal support of the Commission and also to me as President. There were often times I had to come to you for your counsel privately, just in terms of what we do here, what's the legality of this and procedural matters during the meetings, Robert's Rules for instance. You were of great, great help and you're an asset to the Agency and I wish you luck.

Next I would like to thank the staff, I see a few of you here, too many of you to name individually but I would like to thank you for your unending

commitment to the noble goals of this Agency. In the entire equation of it's functions, staff works the hardest and faces the most heat, perhaps because you are paid to do that but beyond the monetary aspect of being under its employ, you have the heart to take on the cause of the Agency and nonetheless, all your efforts deserve our respect and sincere thanks. I'd like to acknowledge all of you; I've been very impressed with the staff of this Agency. I will be honest, I expected when I came on board at the Agency or to a city entity, staff to be probably so, so smart, sort of so, so quick to get things done, sort of the typical stereotypical bureaucrats and you're not, and I found that out very quickly. You're all very dedicated, you're smart, you could be doing a lot of other things than working for the Agency, but you stick with it and I think you do it because there's a higher cause involved and you should be acknowledged for those efforts and for all the personal and political heat that you take at meetings and at forums like this everyday, not just in Commission meetings but at CAC and PAC meetings each week.

Lastly, I'd like to thank the communities that have been involved in all of our different initiatives. Our plan areas and different community advocates, neighbors, Reverends. I see Reverend. Townsend here; you really work hard for what you think is best for your community and you come here every two weeks and voice your concerns. A lot of the times we agreed with you and perhaps we side with you on one matter or another and sometimes we don't, but you come and make it clear where you stand and that should be commended and it is something that I've come to appreciate, the community process and how important that is and how vital that is with everything that we do here at the agency, I would like to acknowledge that.

In closing, it really was a sad day when I resigned and coming to that conclusion over the course of many months as the best thing for me personally and for my family. It was a sad process because I will miss you all. I will miss being so intimately involved in the Agency's work and I will miss working with a group of people, staff, and community and in particular the Commission that I have so much respect for. So, keep up the good work, thank you for having me today and for acknowledging some of the small things I tried to do while I was here, best of luck and I know we will stay in touch over the course of the coming months and years, Thank you."

ADOPTION: IT WAS MOVED BY COMMISSIONER ROMERO, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4(b) RESOLUTION NO. 113-2007, COMMENDING AND EXPRESSING APPRECIATION TO RICHARD H. PTERSON, JR. FOR HIS SERVICES UPON THE OCCASION OF HIS DEPARTURE FROM HIS POSITION AS COMMISSIONER OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

Items 4 (c) and (d) were presented together and acted upon separately.

- 4 (c)** Resolution No. 114-2007, Authorizing a Fourth Amendment to the Disposition and Development Agreement with Fillmore Development Associates, a California limited liability company, to extend the term of the commercial ground lease, change the repayment schedule for the value of the commercial parcel, modify the distribution of condominium sales proceeds, and make other minor changes, all related to the mixed-use project on Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2
- 4 (d)** Resolution No. 115-2007, Consenting to a partial assignment of the commercial ground lease from Fillmore Development Commercial, LLC, a California limited liability company, to SN Fillmore, LLC, a California limited liability company, related to the commercial space in the mixed-use project on Agency Parcel 732-A; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency Staff)

Speakers: Michael Johnson
Reverend Arnold Townsend
Randall Evans
Ace Washington
Sheryl Davis

Director Blackwell stated that MOCD, where he served prior to joining the Agency, was also a partner on this project, has been complicated financially and complicated to execute with many hurdles yet to cross, but are almost at the finish line. Director Blackwell indicated that it will be a tremendous addition to the Western Addition community and that he is looking forward to seeing things open later this month and into the next month, and exciting to have at this point.

Commissioner Romero stated that many of the projects of this size and complexity have often required these kinds of adjustments and believed it to be a good explanation of the reasons the amendment is necessary, very reasonable and not unprecedented. Commissioner Romero put forth a motion to adopt 4 (c).

Commissioner Cheu stated that she agrees the amendment to be very reasonable under the interchanging economic conditions. Commissioner Cheu seconded Commissioner Romero's motion to adopt item 4 (c).

Commissioner King stated in going back from the beginning of this project that there were about five developers starting with Fred Jordan, and then followed by Chuck Collins and various other developers who did not make it. Commissioner King indicated when this project first started he knew it was going to be a failure; he was the one who voted against this project

when it started in the 1980's with a vote of six to one. Commissioner King indicated that Jim Jefferson had it for a long period of time as well as Chuck Collins. Michael Johnson then came along in a good time and has done a good job in processing the project well and believes this project should be approved because it's long overdue. Commissioner King congratulated Michael Johnson and his team for the work they've done and he would like to see this opened in November.

Commissioner Singh stated that he agrees with Commissioner King and indicated that Michael Johnson is doing a very good job.

Commissioner Covington recalled her questions some time ago related to the garage that the garage was built for \$5 Million without an agreement with other departments in the City and the question then was who is going to run the garage.

Mr. Tijani indicated that there was an arrangement with the Parking Authority of the City and County of San Francisco to run the garage but ran into some difficulties when making arrangements with them six months ago due to the fact that the Parking Authority has now merged with MTA and currently have a different program requirement as before which is taking a long time to resolve. Mr. Tijani indicated that this is an interim arrangement to have the parking spaces for the new tenants and for the development which is why this request is for a short period of time with the hopes of working something out with MTA.

Commissioner Covington asked if Mr. Tijani was hopeful that this can be resolved.

Mr. Tijani indicated that the hope is that they will be willing to work with the Agency to resolve the issues and that is why this is an interim arrangement.

Commissioner Covington recalled the nine years that she served on the Japantown garages, there were discussions for at least five or six years of having the then proposed garage be included in the Japantown garages because even back then people realized that a garage of just 122 stalls was not going to be able to sustain itself in the long run. Commissioner Covington asked if there have been any further discussions regarding that kind of arrangement.

Mr. Tijani stated there have been discussions but the management agreement between the Japantown Corp., the non-profit running the garage, and the City have changed the way the parking garages are run and has become much more complicated due to MTA not having the background and history as to how these two garages could be managed together; the key players at the parking authority are equally not there so that institutional memory is equally gone. Mr. Tijani indicated that staff is still working with

them and providing them handful of information with the hopes of working something out.

Commissioner Covington stated that she hopes staff and all parties involved can come together and begin to, if not help refresh past institutional memories, but start a new conversation to resolve these issues. Commissioner Covington inquired as to whether there have been any discussions about community involvement in the operation of the garage, a Community Board or something of that nature.

Mr. Tijani stated that under the current interim arrangement, there is going to be feedback to the community in the day to day operation of the garage and the understanding that some funds are going to be set aside to go back to the community. Mr. Tijani indicated that staff will be coming back before the Commission in November with additional information on the number of issues the Garage Operators are to consider and address, including community participation in running of the garage. Mr. Tijani indicated that at this point it has not been determined if there will be an Oversight Board.

Commissioner Covington indicated that she would like to hear the details on the community involvement.

Commissioner Romero put forth a motion to adopt item 4 (d).

Commissioner Cheu seconded Commissioner Romero's motion to adopt item 4 (d).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 114-2007, AUTHORIZING A FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, A CALIFORNIA LIMITED LIABILITY COMPANY, TO EXTEND THE TERM OF THE COMMERCIAL GROUND LEASE, CHANGE THE REPAYMENT SCHEDULE FOR THE VALUE OF THE COMMERCIAL PARCEL, MODIFY THE DISTRIBUTION OF CONDOMINIUM SALES PROCEEDS, AND MAKE OTHER MINOR CHANGES, ALL RELATED TO THE MIXED-USE PROJECT ON AGENCY PARCEL 732-A; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2), BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 115-2007, CONSENTING TO A PARTIAL ASSIGNMENT OF THE COMMERCIAL GROUND LEASE FROM FILLMORE DEVELOPMENT COMMERCIAL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO SN FILLMORE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, RELATED TO THE COMMERCIAL SPACE IN THE MIXED-USE PROJECT ON AGENCY

PARCEL 732-A; WESTERN ADDITION REDEVELOPMENT PROJECT
AREA A-2, BE ADOPTED

- 4 (e) Resolution No. 116-2007, Authorizing a First Amendment to a Tax Increment Loan Agreement in the amount of \$514,714 for a total amount not to exceed \$13,676,087 with Parkview Terrace Partners, L.P., a California Limited Partnership, for the development of 101 units of very low-income senior rental housing at 871-881 Turk Street; Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenter: Michele Davis (Agency Staff)

Speaker: Ace Washington

Commissioner Singh put forth a motion to adopt item 4 (e).
Commissioner Cheu seconded the motion.

Commissioner Singh asked what very low income seniors meant and what the amount is.

Ms. Davis indicated that the affordability range is at 50% of median depending on the size of the unit, comprised of studios ranging from \$561 - \$725 and one bedrooms ranging from \$598 - \$810.

Commissioner Singh asked if there was a list of who will be occupying these spaces.

Ms. Davis indicated that the marketing is still ongoing, the occupancy list will not be available until after they hold the lottery on November 16th.

Commissioner Singh asked when the anticipated completion date is.

Ms. Davis indicated the completion date to be December of this year of which the tenants will be given a temporary certificate of occupancy with the expectancy of the final rent typified at the end February and an Open House in March.

Commission Covington requested further information about the 20 units under the Shelter + Care Program.

Ms. Davis indicated it is a joint effort by both the Dept. of Public Health and the Human Services Agency where resources became available under the Stewart B. McKinney Federal Shelter + Care Program. 17 of the units will be funded under Shelter + Care and three of the units will be funded under the Dept. of Public Health's Direct Access to Housing Program.

Commissioner Covington stated that she is hopeful that a lot of people will consider joining the lottery and that public service announcements on KPOO will make more people aware of this tremendous opportunity, the opportunity of a one bedroom apartment of almost 700 square feet for \$598 in San Francisco is an incredible bargain and the senior's definitely need that kind of break.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 116-2007, AUTHORIZING A FIRST AMENDMENT TO A TAX INCREMENT LOAN AGREEMENT IN THE AMOUNT OF \$514,714 FOR A TOTAL AMOUNT NOT TO EXCEED \$13,676,087 WITH PARKVIEW TERRACE PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF 101 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AT 871-881 TURK STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED

- 4 (f) Resolution No. 117-2007, Approving a Second Amendment to the Agreement for Operation of a Museum Facility with the Museum of the African Diaspora, a California nonprofit public benefit corporation, to increase Agency funding by \$1 Million for operations for the museum located on a portion of Parcel EB-2A; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff)
Cathy Pickering (Agency staff)

Speakers: Ernest H. Urquhart
Belva Davis
Brenda Wright
Frankie Jacobs Gillette
Peggy Woodford Forbes
Marie Womack McCallum
Rodney Williams
Sherrie Dyson
Yen Nguyenle

Commissioner King put forth a motion to adopt 4 (f), congratulated all for a job well done who have kept the Museum going. Mr. King indicated that it is not easy raising money and funds for a new organization, especially a black organization. Commissioner King suggested that they contact some of the unions, labor councils for funding support.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (f) and indicated that he is certain that all the Board members will bring

the financing under control very soon and congratulated them for a job well done.

Commissioner Cheu stated that she attended the Western Museum Association conference the week prior, was not able to attend the evening event due to a schedule conflict; four of her colleagues went on a South of Market tour of museums and MoAD was the one they came back raving about. Commissioner Cheu noted the amount in the budget for \$380,000; \$7,000 a month would add up to about \$80,000 and inquired as to what the agreement is in terms of the occupancy costs with the St. Regis and was there anyway to restructure that.

Ms. Yen Nguyenle indicated the \$300,000 a year would be for the whole facility with security, utilities, and phones for the year, not just the shared facility, and \$80,000 is the amount that is shared with the St. Regis, with MoAD being responsible for the rest.

Commissioner Cheu stated that she supports this funding and believes that all museums typically, when they start up, experience a couple of years before they reach a stable operating budget and is typical for both attendance as well as operating costs to be much higher than they will be in a stabilized setting; it usually takes about 3-4 years before they settle into that. Commissioner Cheu indicated that she believes in supporting this institution, especially in the early years.

Commissioner Romero stated that he agrees with everything his fellow Commissioners have said, in particular with Commissioner Cheu and acknowledged that he was one of the Commissioners from the beginning who was very favorably impressed throughout the process with how they organized themselves, raised money and got the museum going. Commissioner Romero indicated that he has not lost faith in their ability in dealing with MoAD and certainly supports the funding with the hope that no one gets discouraged, to think positive and hopefully this would not be a problem a year from now.

Commissioner Covington stated that it can be discouraging because she knows everyone works tremendously hard at MoAD and to be running a deficit is not any indication of the worth of the vision or the dedication of the staff, it's just a start up. Commissioner Covington indicated that MoAD has achieved many milestones in such a short period of time of which they are to be commended and as she looked over the information the Commission was given, she expressed how happy she was to see MoAD's plan for moving forward and the kinds of fiscally responsible actions they are taking and being very proactive in trying to get out in front of this. Commissioner Covington indicated that she is very much encouraged by their actions thus far.

Commissioner King put forth a motion to adopt 4(f). Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f), RESOLUTION NO. 117-2007, APPROVING A SECOND AMENDMENT TO THE AGREEMENT FOR OPERATION OF A MUSEUM FACILITY WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE AGENCY FUNDING BY \$1 MILLION FOR OPERATIONS FOR THE MUSEUM LOCATED ON A PORTION OF PARCEL EB-2A; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g) and (f) were presented together and acted upon separately.

- 4 (g) Resolution No. 118-2007, Approving a revised Policy on the Transfer of Development Rights from a property containing a building designated as a Landmark, Significant Building, or Contributory Building within an underlying C-3 Zoning Designation located in certain Redevelopment Project Areas
- 4 (h) Resolution No. 119-2007, Authorizing the Executive Director to (a) approve a Statement of Eligibility for the Rincon Annex U.S. Post Office Building pursuant to the Agency's Policy on the Transfer of Development Rights; (b) execute an agreement with Rincon Center Commercial LLC; and (c) execute agreements for the sale of Agency-owned Certificate for Transferable Development Rights; Rincon Point-South Beach Redevelopment Project Area

Presenter: Amy Neches (Agency staff)

Commissioner King put forth a motion to adopt item 4 (g). Commissioner Singh seconded the motion.

Commissioner King put forth a motion to adopt item 4 (h). Commissioner Singh seconded the motion.

Commissioner Covington inquired as to whether the language in the amended document has been added and whether any language was deleted.

Mr. Morales indicated that there were no significant terms deleted.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 188, APPROVING A REVISED POLICY ON THE TRANSFER OF DEVELOPMENT RIGHTS FROM A PROPERTY CONTAINING A BUILDING DESIGNATED AS A LANDMARK,

SIGNIFICANT BUILDING, OR CONTRIBUTORY BUILDING WITHIN AN UNDERLYING C-3 ZONING DESIGNATION LOCATED IN CERTAIN REDEVELOPMENT PROJECT AREAS, BE ADOPTED

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h), AUTHORIZING THE EXECUTIVE DIRECTOR TO (A) APPROVE A STATEMENT OF ELIGIBILITY FOR THE RINCON ANNEX U.S. POST OFFICE BUILDING PURSUANT TO THE AGENCY'S POLICY ON THE TRANSFER OF DEVELOPMENT RIGHTS; (B) EXECUTE AN AGREEMENT WITH RINCON CENTER COMMERCIAL LLC; AND (C) EXECUTE AGREEMENTS FOR THE SALE OF AGENCY-OWNED CERTIFICATE FOR TRANSFERABLE DEVELOPMENT RIGHTS; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

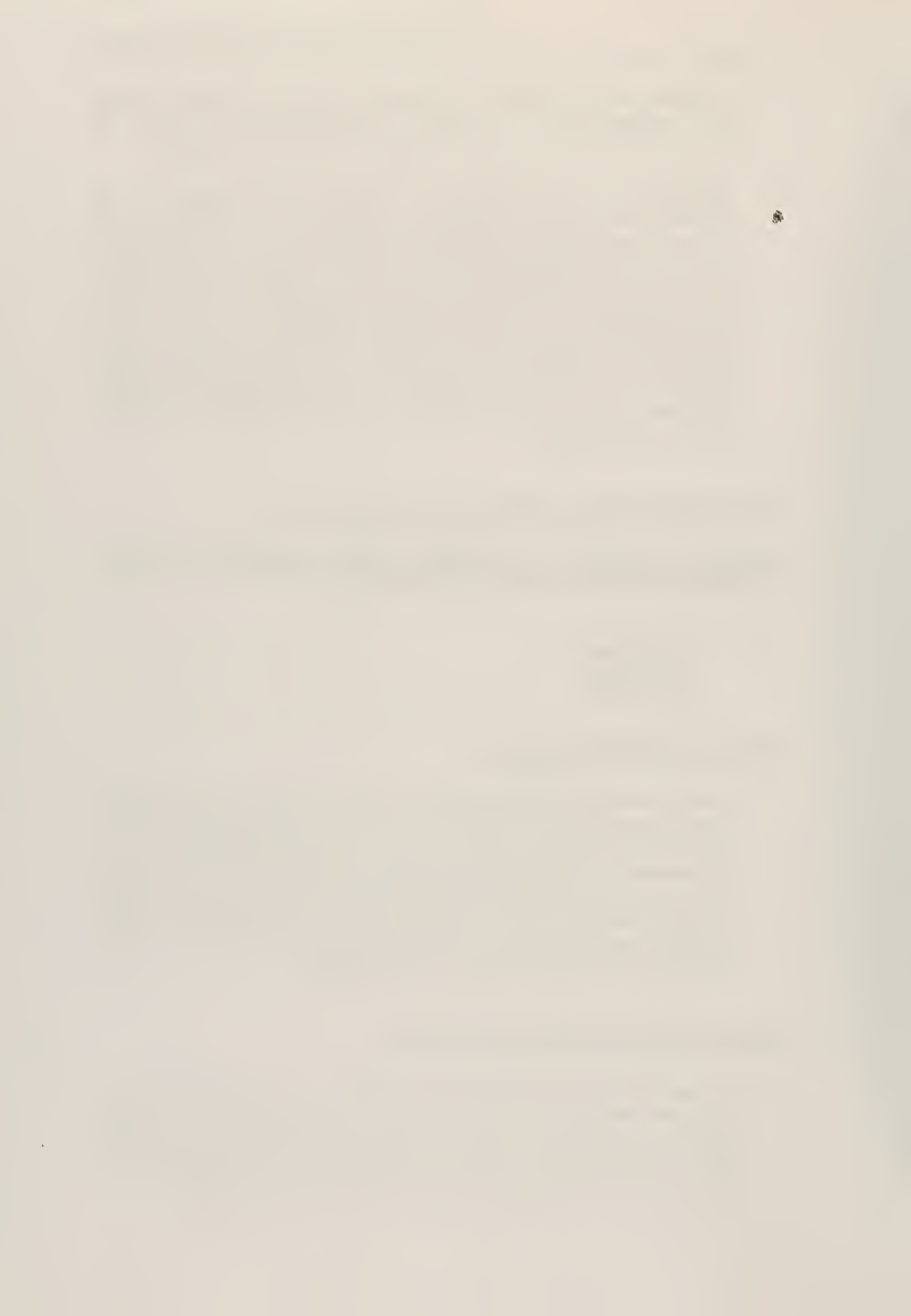
Speakers: Julian Davis
Ace Washington
Ed Donalton
Bob Wade

7. REPORT OF THE PRESIDENT

- President Covington indicated that she went to a wonderful reception for the Eloise Westbrook Health Center which showed a short documentary on Ms. Westbrook's life and those who know her were really happy to see that even in camera she's extremely candid about how she feels about bureaucrats and having to jump over a number of hurdles, just to get things done. President Covington stated that it was a wonderful event, very well supported, another occasion to see the good work that the agency does. President Covington thanked everyone who was involved with that effort.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Director Blackwell announced that the Agency was awarded \$1.4 Million, a three year award from HUD for the HOPWA program, the Second Start Program, a partial rent subsidy program serving homeless people with AIDS. The HOPWA Second Start Program has been recognized as a National model and congratulated staff who worked on this program.



- Director Blackwell announced that the Hunters Point Shipyard Open Studios is scheduled for Nov. 3rd and 4th from 11am – 6pm with a public auction on Nov. 4th benefiting the Shipyard Trusts for the Arts.
- Director Blackwell, in pointing out the Informational Memoranda on Parcel C of which the RFP for Freeway Parcel C which was also released at the same time as Parcel A, stated that there have been a number of false starts on the Parcel C matter. The development team that responded to the RFP was reconstituted recently and presented to the CAC with the consensus being that the team and the program was not the same that responded to the original RFP. Director Blackwell recommended at this point going back out and preparing another RFP unless the Commission makes another recommendation. Director Blackwell pointed out that there has been \$900,000 invested in the predevelopment and design up until this point and does not think that needs to be thrown out the window. What the new RFP will represent is a call for a response to what's been worked on so far. Director Blackwell indicated that the next step is to go back to the CAC to inform them and get feedback on this as well.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh inquired as to the comment made by Ace Washington that five of the WA CAC members have resigned and asked for clarification.
- Director Blackwell stated that there have been a number of resignations recently but emphasized that he has been in communication with the Mayor's Office about the appointment of new members and is committed personally in being involved to make sure there is a full compliment of CAC members in the Western Addition to partner with us. Director Blackwell indicated that the Western Addition is a very important priority for the Agency and it is difficult for the Agency to do the work that is needed to do on behalf of that community without a fully functioning partner on the ground which means not only a full compliment of CAC members that the Agency can work with but also working with the broader community in collaboration with the CAC to make sure that the vision that is there for that community gets realized.
- Commissioner Singh questioned if the next Commission meeting is on Election Day, and suggested that there not be a meeting that day.
- Director Blackwell encouraged the Commission to vote early that day; we have a lot of things on the Agenda that would need timely consideration.
- Commissioner King indicated he would be walking precinct, wants to make sure the Mayor gets elected; there has not been a Commission meeting in the past on Election Day.
- Commissioner Singh proposed that the meeting of Nov. 6th be moved to Nov. 13th.
- Commissioner Cheu indicated that she would be out of town Nov. 13th.

- Commissioner Singh indicated that he would prefer not to meet on Election Day.
- Commissioner Covington requested the Commission Secretary look into the availability of rooms.
- Commissioner Romero indicated that he would be in Madera in a hearing on Oct. 30th and in Sacramento in a hearing on Nov. 13th. He also indicated that he plans his litigation calendar around regular scheduled meetings, could make adjustments if they are done far enough in advance but not within a month.
- Commission Covington requested that she canvas the Commission on their availability.

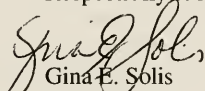
10. CLOSED SESSION

- 10 (a)** Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

11. ADJOURNMENT

It was moved by Ms. Covington, seconded by Ms. Cheu, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:15 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

November 20, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6th DAY OF NOVEMBER 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 6th day of November 2007, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

At this time President Covington announced and welcomed the newly appointed Commissioner, Rick Swig, whose appointment was before the Rules Committee which she attended and supported his appointment, was continued to a Special Rules Committee today which she was not able to attend due to a conflict in her schedule, adopted at the Board of Supervisors meeting today and was sworn in by Mayor Newsom in time for his first Commission meeting today.

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6/07
Ms. Covington welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed
Linda Cheu
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

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Fred Blackwell, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.
3. **MATTERS OF UNFINISHED BUSINESS** None.
4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Resolution No.120-2007, Authorizing an amendment to the Memorandum Of Agreement with the Service Employees International Union (SEIU) Local 790 for the period of July 1, 2006 through June 30, 2009 by recognizing SEIU Local 1021 as the successor collective bargaining representative

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) RESOLUTION NO. 120-2007, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 790 FOR THE PERIOD OF JULY 1, 2006 THROUGH JUNE 30, 2009 BY RECOGNIZING SEIU LOCAL 1021 AS THE SUCCESSOR COLLECTIVE BARGAINING REPRESENTATIVE, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No.121-2007, **AS AMENDED**, Authorizing a Garage Management Agreement with EJI-HSM Property Management Company, LLC, a California limited liability company, for the management and operation of the Agency's Public Parking Garage on Agency Parcel 732-A for a limited term of two years and for a management fee not to exceed \$60,000 or \$20,000 per year; Western Addition Redevelopment Project Area A-2

Presenter: Ricky Tijani (Agency Staff)

Speakers: Neil Tramp
Ace Washington
Jerome Berg
Gus Horput
Naomi Richen
Paul Hyams
Charles Spencer
Floyd Trammell
Reverend Arnold Townsend
Sheryl Davis
Michael Johnson

Commissioner Breed expressed her concerns about this particular matter due to the fact that this project was being reviewed when she served as a CAC member and had taken issue then about the number of parking spaces, this matter has been in the hands of the CAC for a very long time and the fact that it had been heard through the CAC on more than one occasion and discussed with no recommendation or action is a concern to her. Commissioner Breed indicated that she has not seen anything to indicate a particular action from the CAC that specifies what members of the CAC think about this particular matter; she had to call members of the CAC in order to find out exactly where members were going with this issue and indicated that was unacceptable. Commissioner Breed stated that if the direction of potentially not going through the competitive bid process, Commissioners should be informed in a timelier manner in the future so that the Commission can make the best decision. Commissioner Breed stated that in this particular case she personally does not think this matter should go to a competitive bid because it would open the door to other parking entities that may not be a part of the community or have the Community's best interest at heart, entering into a sole source two year contract could give the CBD, West Bay or other members of the community time to put together an appropriate plan to collaborate with the appropriate entity due to the fact that these particular groups that are interested in the parking garage have no experience in parking and that time is needed in order to develop an appropriate plan before this matter is brought back before the Commission. Commissioner Breed recommended that agency staff or the CAC figure out a way to begin to engage these two particular groups in dialogue in order to provide them with the technical support necessary in order to be prepared to manage a garage of this nature and a competitive bid process opens the door to other possibilities. She indicated that community entities most likely would not be chosen because of people who have experience in managing parking garages, she would much rather see this garage in the hands of the community, in particular with all the work that Mr. Johnson has put into the development. Commissioner Breed indicated that she does support moving forward with a two year agreement and finding an approach after the two year period in working with an organization that exists in the community to help make it possible that they gain the necessary skills to manage the Garage for the long term and making a determination as to how revenues would be spent. Commissioner Breed made a motion to adopt Item 4(b).

Director Blackwell indicated that in order for this item to be adopted the present resolution will need to be amended to read two years which presently reads for three years.

Commissioner Breed made a motion to amend the current agreement to read two years rather than three years.

Commissioner Breed stated that Yoshi's is opening at the end of this month, the restaurant is already opened, Fillmore Street is alive and well, West Bay has a new paint job, activities are going on and this item has been on the table for much too long to sit back and wait for a group or entity to develop something at this point. Commissioner Breed moved to adopt the amended item for a two year time period and indicated that during that two year time period it will give the CAC and staff the

opportunity to work with members of the community to develop a better plan and possibly come back to the Commission with a different format and different group.

At this point Commissioner Covington encouraged members of the public to remember where they are and to maintain a level of decorum that is suitable to these proceedings.

Commissioner Romero inquired as to whether the garage was open in any capacity at this time and if there were tenants living in the building.

Mr. Tijani indicated that the garage is currently opened; tenants are already living in the building and have their own parking, separate from the parking garage.

Commissioner Romero recollected the debate about people wanting a bigger garage when this item was being considered and the possibility of increasing the capacity to valet parking. Commissioner Romero asked if that was going to be done and if people who are currently going to restaurant are currently using the garage.

Mr. Tijani indicated that valet parking will be included and people going to the restaurant are currently using the garage.

Commissioner Romero asked if people who are not residents who eat at the restaurant are currently parking in the garage and inquired as to who is running the garage at this time.

Mr. Tijani indicated people going to the restaurant are using the garage and that Dodge International is currently operating the garage.

Commissioner Romero seconded the motion of item 4(c). Commissioner Romero stated that the garage is already being operated by the management company that staff is recommending and expressed that he feels painted into a corner; understands the concerns and good points expressed by the Community Benefits District. Commissioner Romero indicated that he does not think there is any other alternative given the fact that a business is already operating and the Commission want this building to be a success but is fully aware that the big opening of the club is coming up in just a couple of weeks and expressed that there is not enough time for a competitive bidding which he agrees is a good idea. Commissioner Romero indicated that he was interested in seeing what happens between now and when the two year term runs out and assumes that staff has done due diligence to determine whether the rate is reasonable. Commissioner Romero thanked those who stepped forward to fill in the role of managing the parking garage at such short notice.

Commissioner Cheu stated that she agrees in most part with Commissioner Romero, that this would have been more of a transparent process had it gone out to public bid but understands, given how the process ended up in this situation, and is certainly important that the parking garage is open and running. Commissioner Cheu indicated that in the first couple of years a lot of things are going to get sorted out as the operation stabilizes and obtaining some track record would not be bad when you go out to public bid, people will know what they're getting into.

Commissioner Cheu expressed her concerns about the NOI's narrow margin and indicated that garage's operating budget for the first year, which she assumes is based on high attendance at Yoshi's because of the opening events, wondered what happens in year two when attendance stabilizes a bit more, parking may be down, questioned if there may be a potential of a negative NOI, and if so, what happens.

Mr. Tijani stated that there have been discussions in encouraging the operator to maximize the revenue and minimize operating expenses, what should be pointed out that is unusual about the garage is that it is part of a commercial condominium consisting of a huge expense of common area maintenance that needs to be paid on the stand alone garage that does not have that additional expense. Mr. Tijani indicated that all the issues, and hopefully with the Yoshi's opening and with the various programs, that the operator is going to implement that revenue and will be maximized or increased and should be sensitive to the operating expense.

Commissioner Cheu asked if the scenario is based on conservative assumptions for planning purposes and how would that be characterized.

Mr. Tijani indicated that the charges for the monthly parkers that were alerted to as being very low are not only for 24 hour parking, it is only for parking until 7pm which is basically made available for Yoshi's operation. The monthly parking that includes 24 hour parking rate would be higher, the purpose is not to impact the community but to make the garage available to accommodate the expanded demand for the garage.

Commissioner Cheu agreed in changing the agreement to two years and was more comfortable that it was a temporary solution; three years seemed like more of a long term agreement.

Commissioner King stated that it was a mistake not making a bigger garage when this first came before the Commission and to take this away now and put it out to bid would be a big mistake; had dinner a couple of nights at the restaurant, very nice restaurant, people are parking and has the community moving. Commissioner King indicated that he was in favor of the Commissioners recommended amendment and would like to move this forward; believes within the two year period the Commission will look at it again.

Commissioner Singh asked how many people will be operating the garage.

Mr. Tijani indicated that a part time manager and a part time cashier will be operating the garage at this time.

Commissioner Breed asked how many of the 112 spaces are for monthly use.

Mr. Tijani indicated that currently there are 20 spaces and may change to 30 depending upon the demand and how things are moving.

Jacqueline Besser, President of Dodge International, indicated they currently have a cashier and will have two attendants who will maximize the number of cars that can park in that garage; their attempt is going to be to park upward towards 130-150 cars.

Commissioner Breed inquired whether the positions currently operating the garage were recently hired or already part of the company.

Ms. Besser indicated that her company has 150 employees and had to recruit for these positions since they are new positions, they looked within their ranks in terms of a Manager who is currently working in a part time capacity, the cashier and parking attendants were recruited through their normal sources. Ms. Besser stated her company uses the different recruiting sources such as Craigslist and look at community based organizations such as First Source since they have city contracts and try to recruit from within the area in which they are working which at times is a little difficult. Ms. Besser indicated in this instance it was extremely difficult because they were asked to start this garage with very little time but have met the challenge.

Commissioner Singh stated that he noticed that \$17,000 is for the employees cost per month and there is a \$386,000 cost which comes to around \$32,000 per month. Commissioner Singh inquired as to what the operating costs consisted of.

Mr. Tijani indicated that the \$386,000 includes all the operating expenses such as; repair and maintenance, office supplies, security, armor vehicle, picking up and dropping off the money and other misc. business expenses, not a staff expense.

Commissioner Singh inquired whether staff working at the garage was hired from the community.

Mr. Tijani indicated that under the current agreement they are operating under, the existing license agreement was amended that allowed the developer to be on this parcel, with the current management agreement inclusive of all those provisions including touching base with Ella Hill Hutch Community Center, and other community centers in terms of hiring for the garage.

Commissioner Covington asked Director Blackwell to give a short background on how the management of the garage came to be.

Mr. Blackwell stated that the use of the non-competitive negotiation purchase method is something he personally is unhappy with and agrees with a number of comments in reference to a competitive bid. He indicated the variety of issues, including the fact that MTA has changed the way it operates and manages garages is problematic going back to some of the comments made earlier about the size of the garage being a problem. Mr. Blackwell indicated that MTA and the Parking Authority are looking for much larger margins when it comes to operating garages, they are looking for it to be a revenue generating activity for those agencies, but as currently proposed, this garage is not one of them. Mr. Blackwell also indicated that there were attempts made to work with the Japantown garage in an agreement that would pull it into that umbrella but did not work as well, ending up with a situation where this method had to be used in order

to get the garage opened and to serve the commercial tenants at this development which is not a practice that the Agency would like to engage in and not something that the Agency would like to use as a rule of thumb. Mr. Blackwell indicated that in general, the transparency that the community is asking for is something he agrees with and in this situation, the Agency needs to figure out a way to get the garage opened and serve the commercial tenants by bringing the term of this down to two years and by opening the competitive bidding process after 18 months. Mr. Blackwell believes the recommendation that is being brought before the Commission will open up the process later on and will, as Commissioner Breed said, give a little bit of breathing time for others to come up with a thoughtful proposal on how the garage will be managed.

Commissioner Covington stated that she served almost nine years on the Japantown Garage Board and discussion of this garage coming under the umbrella of the Japantown garages was suggested, she would like to reinvigorate those discussions with Japantown Garages and MTA. Commissioner Covington indicated that the advantage of having a Board that is over the garage is that community people do have input and whatever revenues can be derived from its operation, those revenues can then be used to support community projects. Commissioner Covington indicated that the Japantown Garage Board gave a considerable amount of money each year for the Cherry Blossom Festival and the parade and suggested that it would be good for discussions be reopened with the Japantown Garage and MTA over the course of the next year or so. Commissioner Covington suggested staff make it clear that the 20 monthly parkers understand that the monthly parking does not include dead storage, cars that are just stored there and don't move. Commissioner Covington inquired how many pay on foot terminals are in the garage.

Mr. Tijani indicated four terminals.

Commissioner Covington stated that the amount of \$150 a month for monthly parking is very modest cost and hard to find any place else in the city.

Ms. Besser indicated that an analysis on the parking in the area and what the market trends was conducted with Japan Center being one of the garages they took into consideration; Japan Center Garage is paying \$150-155 a month which is a round the clock parking garage. The monthly parkers were also taken into consideration due to Yoshi's and the 1300 Fillmore restaurant, including all of the evening uses of the garage thereby coming up with the monthly charge of \$15; a competitive rate based on what the market allows. Ms. Besser also indicated that the monthly parkers would only be allowed to park during the daytime hours to free up the garage at night for all of the evening traffic that is anticipated, and also stated that there is no comparison to the garage property across the street because the monthly parking is accessible anytime, where the subject garage is restricted.

Commissioner Covington stated that she was dismayed the CAC has not been meeting and that the October meeting was cancelled, she assumed that this was on the agenda at that time. Commissioner Covington reiterated that the reason the CAC exists is so that the Commission can have a vehicle for feedback from the community and if that is closed to them they are left to their own devices, so to speak. Commissioner Covington

indicated that she understands the concerns expressed by the Community Benefit District and its members who are being assessed additional taxes; not feeling included and being left out of the loop in terms of this discussion and these issues are not inherent to the agency and asked that these forms and levels of communication need to be corrected quickly.

Commissioner Breed stated that she wanted to add what Commissioner Covington said about the Japantown Task Force Board and MTA; she believes that the CBD should also be included in some form and understands what the CBD is doing and the importance of the work they do in that particular area to enhance that area, many of the businesses from the CBD have been there for a long time and have supported the Fillmore when no one else wanted to be there and understands their involvement and interest in wanting to have an opportunity to be a part of this. Commissioner Breed stated that she thinks it is very important in moving forward with this process and the reason why she indicated that there may be a possibility that this may not come before the Commission again is they could be awarding this as a sole source to the CBD or some other community entity since oversight or funding that stems from this particular garage should go back into the area that it is serving. Commissioner Breed indicated that she understands the need for that and would like the CBD to understand that she supports them and stated that in moving forward with this project and making it available to those currently visiting the area, including herself on a regular basis, this garage is needed to continue to move forward in the current direction. Commissioner Breed indicated that the parking rate in her opinion is considerably high, there are a lot of affordable housing developments in the area that do not have access to parking but could never afford \$150 a month whether its short term or overnight and indicated that because she serves a community that is a low income community, her location only charges \$50 a month which has a long waiting list; but they charge that as a benefit to the community and stated that she believes the cost is too high for the members living in the area.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b), RESOLUTION NO. 121-2007, AS AMENDED, AUTHORIZING A GARAGE MANAGEMENT AGREEMENT WITH EJI-HSM PROPERTY MANAGEMENT COMPANY, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE MANAGEMENT AND OPERATION OF THE AGENCY'S PUBLIC PARKING GARAGE ON AGENCY PARCEL 732-A FOR A LIMITED TERM OF TWO YEARS AND FOR A MANAGEMENT FEE NOT TO EXCEED \$60,000 OR \$20,000 PER YEAR; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4(c) Resolution No. 122-2007, Conditionally approving the combined Basic Concept and Schematic Design for the Temporary Terminal on Blocks 2, 3 and 4 in Zone One of the Transbay Redevelopment Project Area and adopting environmental findings pursuant to the California Environmental Quality Act; Transbay Redevelopment Project Area

Presenter: Mike Grisso (Agency staff)
Phil Saudry (TJPA)

Commissioner Cheu inquired who the current tenants are on the two privately owned parcels.

Mr. Grisso stated that the owner of one of the parcels is an owner occupier called Resource and Design Inc., office furniture supplier and are the tenants who have identified another site in the project area which is being facilitated by both the Agency and TJPA at the owner's request.

Joyce Owisi from TJPA indicated that the other building has five office tenants and they do not disclose who the tenants are at public forums; they have interviewed them and will continue with relocation assistance for them.

Commissioner Cheu stated that it was unusual to have design review at this stage before the full sight control, particularly for the privately owned parcels, and asked Mr. Grisso to explain why the design review is being brought before them at this time and what the anticipated timing of the site acquisition will be.

Mr. Grisso indicated that the reason they are presenting the schematic design approval at this time is due to TJPA's need to complete their schematic design documents in order to begin work on the construction documents and to stay on schedule so that the temporary terminal will be finished by the fall of 2009. Mr. Grisso indicated that it was important that the Agency support TJPA in that schedule due to the huge funding implication for the terminal; the transit center itself is a \$1.2 Billion project and today's feedback and comments are necessary in order to give the CAC an opportunity to comment before they can start on their construction documents with the anticipation of the acquisition of the site soon.

Joyce Owisi indicated that there are three private property owners on the temporary terminal site; the recommended appraisal has been reviewed by FTA for concurrence and first written offers have been made to all of the three owners who are very willing to discuss acquisition with the anticipation that by early next year TJPA will control those three parcels.

Commissioner Cheu put forth a motion to adopt item 4 (c).

Commissioner Singh asked if the TJPA does not acquire the property, what will happen then.

Mr. Grisso indicated that the approval is conditional upon TJPA acquiring the property as well as complying with all the other requirements of the redevelopment plan and if they are not able to acquire the property, TJPA cannot build the temporary terminal.

Commissioner Singh asked if it would require eminent domain if it is not able acquire the property.

Mr. Grisso indicated that TIPA does not have eminent domain authority but the property owners are all willing sellers at this point and does not anticipate any problems.

Commissioner Singh seconded the motion.

Commissioner Covington reiterated to please make the benches suitable for those under 6 and over 60.

ADOPTION: IT WAS MOVED BY MS. CHEU, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c), RESOLUTION NO. 122-2007, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR THE TEMPORARY TERMINAL ON BLOCKS 2, 3 AND 4 IN ZONE ONE OF THE TRANSBAY REDEVELOPMENT PROJECT AREA AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4(d) Workshop on the preliminary draft Flood Insurance Rate Maps prepared by the Federal Emergency Management Agency for San Francisco

Presenter: Catherine Reilly (Agency Staff)

5. **MATTERS NOT APPEARING ON AGENDA.** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Majerd Crawford
- Erris Edgerly

7. **REPORT OF THE PRESIDENT**

- President Commission welcomed the newly appointed Commissioner, Rick Swig
- President Covington emphasized the number of Receptions for the new Executive Director, Mr. Fred Blackwell, a total of three that she was aware of and attended. She mentions them because she believes it shows the esteem in which he is held and the affection that a large percentage of the various communities have for him.
- President Covington stated that she attended the Halloween party at the SFRA which was well attended; had lots of fun and was a manifestation of how the moral in the Agency is going up. She indicated that a number of staff members took pains to tell her that with the advent of the new Executive Director that things are moving along swimmingly and that people are becoming more satisfied in their positions and they feel more appreciated.
- President Covington indicated that she took a tour of the Contemporary Jewish Museum which is looking fabulous, incredible space, very good and fulfilling to see; asked for press packets and cubes for all of the Commissioners and informed the Commissioners that they can request tours of these facilities.

- President Covington requested an Informational Memorandum or presentation on how the secondary mortgage market is going to affect the Agency and the exposure of the homeowners, would like to essentially get ahead of it instead of behind it.
- President Covington thanked all the Commissioner for the floral bouquet of flowers
- President Covington acknowledged Commissioner King's award presented this day at the 28th Election Day luncheon which was a tribute to the working men and women of San Francisco and the Bay Area. Commissioner King was given a special salute for his long standing work in the International Longshoreman's and Warehouseman's Union, Local 6.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Director Blackwell thanked everyone who attended the receptions honoring him.
- Director Blackwell pointed out that the Informational Memorandum on the Six on Sixth Street Façade Program they received, which will be brought back at a future Commission meeting for their consideration; the item was amended in June with an increase to the façade program; the forgivable loan of up to \$20,000 and for tenant improvements for up to \$50,000. Director Blackwell indicated that these two fall under the Executive Director's budgetary discretion of \$50,000, if one person or Agency applies for both it would go over the \$50,000 limit and would go up to \$70,000. Director Blackwell requested that in the future, in order to avoid any confusion, he would like to bring back an amendment on how to deal with those matters when they go over the \$50,000 limit. Director Blackwell indicated that in the meantime there is one request that gets to the \$70,000 limit and is time sensitive and requests approval unless there is an objection from the Commission, otherwise they will move forward.
- Director Blackwell announced that the Agency has received another Housing Award, the Mission Creek Senior Community Housing Award from the Tax Developer's Conference in Chicago awarded by the Affordable Housing Finance Magazine, the Reader's Choice Award which is a very competitive award. Indicated that housing staff that worked on this project should be congratulated on another project and another plaque that will end up in the hallway. Material on submissions will be sent in the Commission packets.
- Workshop will be held on Wed., Nov 7th, 6 -8 at Cargo Way, City College

9. COMMISSIONERS' QUESTIONS AND MATTERS

COMMISSIONER BREED:

- Commissioner Breed congratulated Commissioner King on receiving his award at the 28th Election Day luncheon.
- Commissioner Breed asked for clarification since there were no minutes included in the packet, as to whether the Accessibility workshop was heard at the last meeting; reiterated the importance of moving forward with the Accessibility workshop and requests an update on the proposal made several months ago extending the Certificate Of Preference Program to grandchildren.
- Commissioner Breed stated that she was a little confused by some of the requests in the RFP for the Muni Substation; agrees that the deadline should be extended. She looked into the proposal and also the fact that there was a long process in developing the RFP

and believes that consideration should be given in extending the deadline of that particular proposal.

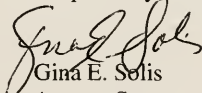
- Director Blackwell proposed that the RFP be extended until Feb. 1st, 2008, which would allow more time and also take into account an extension for 30 days which would overlap with the Holidays.
- Commissioner Breed indicated that she has been to 1300 Fillmore and is very proud of Yoshi's space, the parking garage, the atmosphere and the people; Fillmore is alive and well and is looking absolutely amazing. She stated that one of the comments made earlier about the \$312,000 which was given through the Fillmore Center; the Commission has asked the CAC to make recommendations and have not made any recommendations. Commissioner Breed would like to seriously consider putting that money into the loan program that exists for small businesses in that area so the area can continue to be revitalized and become the community that she's wanted and the next step is to get more African Americans back into the Community so that Fillmore can have the diversity that San Francisco represents.
- Commissioner Breed stated that she unfortunately was not able to attend the last Commission meeting to say anything about former Commissioner Rich Peterson. Commissioner Breed indicated that he did a very good job on the Commission and appreciated the support he had given her, appreciated his openness and willingness to work with her and the community, thought he was a great Commissioner and served the Commission well as President, and wanted to acknowledge this for the record since she did not have an opportunity to say so at the last meeting.
- Commissioner Breed welcomed Commissioner Swig and expressed that she looks forward to a great working relationship. Commissioner Breed indicated that she is excited about the new Executive Director and believes they can all come together as a team to make things better for the Communities that they serve.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT**

It was moved by Ms. Covington, seconded by Ms. Cheu, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:15 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

November 20, 2007

DEC 10 2007

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20th DAY OF NOVEMBER 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of November 2007, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

And the following were absent:

Linda A. Cheu

Fred Blackwell, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.

3. **MATTERS OF UNFINISHED BUSINESS** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of October 16, 2007
- 4 (b) Approval of Minutes: Meeting of November 6, 2007
- 4 (c) Resolution No. 123-2007, Approving a Settlement Agreement with Banneker Homes Partners, L.P., a California limited partnership, to resolve a prevailing wage dispute involving 15 construction workers; Western Addition Redevelopment Project Area A-2

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. BREED AND MR. SWIG ABSTAINED FROM VOTING ON THE APPROVAL OF THE MEETING MINUTES FOR OCTOBER 16, 2007) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: REGULAR MEETING OF OCTOBER 16, 2007, 4(b) APPROVAL OF MINUTES; REGULAR MEETING OF NOVEMBER 6, 2007; AND RESOLUTION NO. 123-2007, APPROVING A SETTLEMENT AGREEMENT WITH BANNEKER HOMES PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO RESOLVE A PREVAILING WAGE DISPUTE INVOLVING 15 CONSTRUCTION WORKERS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

REGULAR AGENDA

- 4 (d) Resolution No. 124-2007, Authorizing the establishment of a panel of real estate economics consulting firms to provide advisory services on an as-needed basis for a three-year term in an aggregate amount not to exceed \$500,000, subject to the availability of funds; All Redevelopment Project and Survey Areas

Presenter: Christine Maher (Agency Staff)

Commissioner Breed asked how the firms are chosen if the services are needed and if several organizations qualify.

Ms. Maher indicated that a Scope of Services is prepared for an individual project and sent to all the panelists on the firm to see who is available at that time. They are chosen by the appropriate qualifications for that assignment, including cost and experience with the firm.

Commissioner Breed inquired as to whether the firms have been certified through the Agency's SBE program.

Ms. Maher stated the firms who indicated that they are certified were verified by the Agency's Contract Compliance department, the other firms who are in the process of being certified are working closely with the Contract Compliance department overseeing their certification.

Commissioner Breed asked if the San Francisco groups receive priority for these contracts.

Ms. Maher indicated that the San Francisco firms are not given priority.

Commissioner Breed put forth a motion to amend the resolution to give first priority to San Francisco based firms with regards to any work that might be available.

Commissioner Romero stated that he was against the motion put forth by Commissioner Breed, staff has routinely over the years brought before the Commission a number of panels that are very diverse and highly qualified and would like to give staff the flexibility since they have already vetted the firms. Commissioner Romero indicated that the resolution should be approved as is.

Commissioner Swig indicated he also agreed that it was a good process and is familiar with many of the firms; suggested that staff refine the group to the skill base that is anticipated as opposed to having too many firms.

Commission Singh agreed with his fellow Commissioners that it is a good process and seems to be working.

Commissioner King indicated that he agrees with Commissioner Romero due to the fact that since this is the Redevelopment Agency, the overall system is not just for everyone in the Bay Area but for all of Northern California.

Commissioner Breed withdrew her motion; her concern was that San Francisco based firms would not receive a fair share of the amount that has been allocated.

Commissioner Romero put forth a motion to adopt item 4(d)
Commissioner King seconded the motion.

Commissioner Covington requested an explanation as to how three firms that are certified as SBE's charged \$265,000 and the one firm that was not certified as an SBE charged \$318,000.

Ms. Maher indicated that in the scope of services that were sent out to firms on the panel are selected based on their skill set and their price; the amount that the Sedway Group was able to bill was 1/3 of the entire budget for that time which is what the guidelines represent. The budget for the prior panel was much higher, \$955,000, and Sedway's allocation was 1/3, which was \$318,000.

Commissioner Covington inquired as to what happens to the remaining funds, if they rollover.

Ms. Maher indicated that when the services are needed, the money is encumbered within each project area.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 124-2007, AUTHORIZING THE ESTABLISHMENT OF A PANEL OF REAL ESTATE ECONOMICS CONSULTING FIRMS TO PROVIDE ADVISORY SERVICES ON AN AS-NEEDED BASIS FOR A THREE-YEAR TERM IN AN AGGREGATE AMOUNT NOT TO EXCEED \$500,000, SUBJECT TO THE AVAILABILITY OF FUNDS; ALL REDEVELOPMENT PROJECT AND SURVEY AREAS, BE ADOPTED

- 4 (e) Resolution No. 125-2007, Authorizing a Housing Opportunities for Persons with AIDS (HOPWA) Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California Nonprofit Corporation, in an amount not to exceed \$1,780,300 for December 1, 2007 to November 30, 2010 for the Second Start Program; Housing Opportunities for Persons with AIDS Program.

Presenter: Pam Sims (Agency Staff)

Commissioner Swig stated that on the budget summary, Exhibit B, page one, document dated October 24, 2007, it shows 3 years of an operating budget which explains and supports the amount of money to be spent. Commissioner Swig indicated that it is the same budget for all 3 years and believes it is unreasonable to submit a budget where the operating expenses have no inclination to increase during anytime during that 3 year period, whether due to CPI or other expenses, and would feel remiss if he didn't call this to the Commission's attention and question this since it seems as though this would be an unreasonable achievement.

Ms. Sims indicated that the Union for the employees of the charities have renegotiate the contract and is reflective of that contract; should that amount increase and is renegotiated within the next 3 year grant period, adjustments would be made.

Commissioner Breed put forth a motion to adopt item 4 (e).
Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4(e) RESOLUTION NO. 125-2007, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,780,300 FOR DECEMBER 1, 2007 TO NOVEMBER 30, 2010 FOR THE SECOND START PROGRAM; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

- 4 (f) Workshop to present the Schematic Design for the development of 15 very low-income rental housing units on Central Freeway Parcel Q, southwest corner of Octavia Boulevard and Oak Street; Citywide Tax Increment Housing Program

Presenters: Pam Sims, (Agency Staff), Elena Branick, (Agency Staff), Veronica Hinkley Reck and Gregory Klosowski (i.e. collaborative)

Speaker: William Pickle

Commissioner Romero stated that Octavia Boulevard and Oak Street is a very busy intersection and inquired as to what has been done for noise reduction; would thicker windows reduce the noise.

Ms. Hinkley Reck indicated that the glazing has been acoustically rated and are within the acoustical range and windows with a higher sound transmission rating are being used.

Commissioner Swig congratulated the team on the design but expressed deep concerns on the safety of the residents that will be occupying the space and inquired as to what means they have taken to ensure they will be protected.

Commissioner Breed stated that she also agrees with Commissioner Swig in reference to the safety of the residents and suggested they reconsider in providing a safety barrier around the corner area in addition to safety areas around the balcony components. Commissioner Breed indicated that the design is beautiful and will enhance the area but would like to make sure her concerns are addressed.

Ms. Hinkley Reck stated that the pedestrian bench with a barrier, plantings and the textile structure would keep people from crossing with the hope that the buffer would slow people down, get their bearings and understand where they're headed.

Commissioner Breed expressed her concern about cars that go out of control and what type of protection barrier will be provided.

Ms. Hinkley Reck indicated that the balconies are illustrated as guard rail height which is 42" rather than the lower height that is typically needed to construct them.

Commissioner Swig inquired as to whether there was an alternative to a white zone and if there are any other alternatives to a safer pick up zone.

Ms. Hinkley Reck stated that in communicating with parking and traffic, they have looked at the timing of the signaling and suggested having training for the residents in conjunction with the operators of the building.

Commissioner Covington stated that on three separate occasions she has brought up the safety of this particular corner and is still of great concern to her. Commissioner Covington pointed out that on the front page of the San Francisco Chronicle three months ago; an article on the 10 most dangerous intersections in the city was of the exact location being discussed. Commissioner Covington stated again, for the 4th time, she believes this to be a worthwhile project but questions the suitability of the site for the population; the primary problem is the weight of speed coming down Oak Street and after decades of people making a right hand turn on red, suddenly you are at an intersection and do not notice that there is a red light for a turn on red which is confusing due to the two lanes to your left having the green light.

Jack Fleck of MTA indicated that the collisions are primarily cars coming down on Oak Street colliding with cars that are going north onto Octavia, there is a right arrow for the people making a right turn and then it turns red for the pedestrians crossing but the cars on Oak continue to go. Mr. Fleck indicated that the original design when the boulevard was built, cars were mistaking the green arrow for a green ball and they were going right on through and were hitting balls that were coming down Octavia; the collisions were all of that type, there were no pedestrian collisions. Mr. Fleck also indicated that when you push the button, there is a very heavy right turn coming from Oak onto the crosswalk and it would not be advisable for pedestrians to try to cross during that phase and that some of the overhead lights that look like green arrows were replaced by four red balls. Mr. Fleck stated that an annual collision report is done along with the California Highway Patrol to look at all the intersections and their study show that cars coming down Oak Street were thinking that the green arrow was a green for them to go through which has since been modified resulting in significant improvement. Mr. Fleck indicated that he has had extensive discussions with Mr. Oaka who will be living in the facility and indicated that some of the people might have mental disabilities, may have a hard time pushing the button and discussed having management at the facility work with the residents to make sure they know how to work the push button and

the design aspect was also taken into account to make it a pedestrian friendly environment.

Commissioner Covington stated that she makes it a point once a week to traverse that particular section of Oak and Octavia Street due to the fact that this parcel before them has been selected for this purpose and expressed her concern with the former Executive Director and was assured that Agency staff had some ideas that would mitigate some of these problems. Commissioner Covington indicated that with the new Executive Director, still being concerned, she asked him meet her on the corner the previous Friday and he indicated to her as he was coming across the street, "I see it already, I see what you're talking about". Commissioner Covington indicated that in the five minutes she and Director Blackwell stood on the corner, at least 5 cars ran the red light which is a serious problem and encouraged Mr. Fleck to use his best thinking on how to resolve the problem since just pushing the button is not enough to give her comfort.

Mr. Fleck indicated that they will try to find ways to solve the problem.

Commissioner Romero indicated, for the record, that he would never want to give up building housing by letting cars win and is very satisfied that the problem is being taken care of and appreciates the concerns of all Commissioners.

Commissioner Breed stated if there was anything in the pipeline in installing cameras for those cars that are running the red light.

Mr. Fleck indicated that at some time they will be adding three cameras to three of the intersections and another proposal is to add another pole on the south side with an extension that sticks out over the street since there is one on the north side already, and add another one on the south side to make another signal, the more signals people see.

Commissioner Covington stated that the design is beautiful but the main concern is safety first.

- 4 (g) Informational Workshop on the proposed integrated development of Phase Two of the Hunters Point Shipyard and the Candlestick Point Area of the Bayview Hunters Point Project Area; Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Project Area.

Presenters: Michael Cohen
Kofi Bonner
David Tom
Audrey Tendell
Steven Prell

Speakers: Majeid Crawford

Minerva Dunn
Silvia Johnson
Archbishop King
Christopher Muhammad
Daniel Solberg
Charles Spencer
William Standard
Doris Vincent
Doris Ward

Commissioner Romero stated that past and present Commissioners have always had a paramount concern about the health and safety of the residents of Bayview-Hunters Point and the residents of the city of San Francisco which is the reason for the delays in coming up with a project area plan; both past and present Commissioners have been very responsible in the way they have dealt with this issue. Commissioner Romero indicated what is known at this current time, city government and the agency has dealt with this issue very responsibly and very thoroughly and has shared the concern for the health and safety, particularly of the children in the area, but no evidence has been brought before the Commission that shows otherwise. Commissioner Romero indicated that he voted against the selection of Lennar as the master developer for the project area and has been very watchful of Lennar's actions over the time period since they were selected and believes they have done a very responsible job in reacting to the issues and concerns of the community, and have included the community in every step of the process. Commissioner Romero indicated that the Commission needs to move on to the issue brought before them which is the conceptual framework and endorsed what was presented to them. Commissioner Romero inquired as to what can be done to ensure that the park space that is being used for parking for the 49rs is going to be in good usable condition the next day, what are the draining methods and breeds of grass.

Mr. Cohen indicated that they are looking at a product called duel use turf which is real grass but built differently; stronger mesh underpinning which makes it strong enough to park on it and after its' been parked on it can be restriped and reused.

Commissioner Romero indicated that he wanted to go on record that every effort should be made within reason to keep the 49rs with the hope that they come around to seeing the City's point of view. Commissioner Romero also stated that it is very important that the park space be in the best shape it can be for the residents when not being used for parking.

Commissioner Singh stated that this is a very exciting project and asked how long the project will take to complete, from start to finish.

Mr. Cohen indicated that they have been working on both the Hunters Point Shipyard and Candlestick Point for at least 10 years and this particular

articulation has been a result of two years worth of work which, when looking at the Olympic bid, realized the opportunities that would be created in the importance of combining the two sites.

Commissioner Singh inquired as to what were the changes of the 49rs staying in San Francisco.

Mr. Cohen indicated that the city does not entirely control the decision making on whether the 49rs stay but have taken the position all along that the best chance to keep the 49rs in San Francisco is to continue to make progress on the project; the 49rs are looking at Santa Clara and have a whole host of issues but indicated what they're doing is making the case to the 49rs and now directly to the NFL that the site is a world class football stadium and that each and every one of the issues raised can be solved, the more progress is made, the more the scales tip at our favor. Mr. Cohen indicated that the project is so important as to not allow someone else to control the fate of the 750 acres; as indicated in the EIR, there is a stadium and a non-stadium alternative, that being the only responsible thing to do.

Commissioner Swig stated that one of the first things Director Blackwell indicated to him as his priority was the safety and security issues around the Hunters Point Redevelopment Project Area and the issues of dust. Commissioner Swig indicated that Director Blackwell sets the standard of concern and urgency for this panel with regard to safety and security first, and of course, children, as well as the priority concern of all Commissioners' for the safety and security of the children. Commissioner Swig indicated that he took a tour of Hunters Point and went to the Alice Griffith housing area which was atrocious; that 50 years later temporary housing is still being used for a community and should be the priority of the San Francisco community at large and the priority of the community of Hunters Point to get rid of the blight that exists and the double rock area and work out a conscious and confident and careful way of maintaining the culture and maintaining the population so in relocating those people from the holes that they are forced to live in are able to move into better housing. Commissioner Swig indicated that is the reason why the project should go forward – first and foremost – improve the community, sustain the culture, maintain the diversity of San Francisco; this is the vehicle for the Bayview Hunters Point to move forward. He also indicated that he looks at San Francisco in a global fashion, being born and raised in San Francisco, San Francisco was a city of families; families have left because either they don't have the bare tools and community support they need to maintain the quality of life for their children so their children can grow up in San Francisco as he did, just as his peers did. Commissioner Swig indicated that if projects like this don't move, not only will there be poor ethnic diversity, there will also be poor demographic diversity.

Commissioner Swig indicated that traffic flow was going to be a true challenge and questioned why the commercial area is located where it is and

the residential on #8 is where it is; residential would be better suited on #3 site rather than #8 and the commercial area should be right by the freeway without disrupting the residential areas and also seems to be much more compatible to the area #7 which is the retail development. Commissioner Swig also questioned an 8,000 seat arena and suggested going to a 20,000 seat stadium which is what is necessary to get an NBA team, an HL team or any professional team and to support major concert productions, and requested that further research go into the sizing of the arena or the placement of the arena. Commissioner Swig indicated that he is looking forward to the project moving forward and should not stop the redevelopment of Bayview-Hunters Point project since it generates jobs, diversity and economic prosperity; establishing an area in the city which needs to be resurrected and stabilized.

Commissioner Romero inquired as to whether there was any consideration given to adding more light rail.

Mr. Cohen indicated that Bus Rapid Transit (BRT) looks like a Muni train but runs on rubber tires, is much cheaper and is an enormous advantage in building the roadway network from scratch. Mr. Cohen indicated that BRT can connect not only to the 3rd Street line but to Cal train and the Balboa Bart station; that inner modality will be important for people to get out of their cars. Mr. Cohen noted Commissioner Swig's question in reference to the location of residential versus the industrial and indicated that as property gets cleaned up from the Navy, certain property gets cleaned up to residential standards based on the 1997 redevelopment plan and part of the pattern is a function of the environmental cleanup levels for the project.

Commissioner Covington stated that there is never a day when she does not think about the safety of people as she clearly stated her concerns earlier on the Central Freeway Parcel Q, the southwest corner of Octavia and Oak. Commissioner Covington was very clear on her concerns and was dismayed to hear that her integrity was being called into question which she stated she does not take lightly. Commissioner Covington indicated that when the dust issues were first brought to the Commissioners attention, she made a special effort, as did Commissioner Breed, to convene several meetings with representatives of the Nation Of Islam School, members of the San Francisco Department of Public Health, high level staff from the Mayor's office, of which there was not one discussion about dust issues. Commissioner Covington indicated that there were members from the Bayview Hunters Point community present at those meetings and at one meeting Dr. Muhammad was there and discussed what can be done to ensure the health of the children, to at least have a base line of knowledge about where their health is now and what might be developing in the future because their lungs are young and still developing. Commissioner Covington indicated that Dr. Muhammad did not respond to a number of requests, while at the same time the City Health Dept., the State and Federal people have shown the Commission rigorous science to say that there is no

harm that is being caused. Commissioner Covington indicated that she understand that at the school, what the children are taught is rigorous scholarship and what she is asking for is rigorous science on the other side, if there is any evidence she asked that it be presented to the Commission and they would review it, but in the absence of the rigorous science she indicated that it was not fair to pit one side of the Bayview Hunters Point community against the other side; the CAC have met and have had exhaustive conversations about the issue and they are on record and issued letters that have gone to each and every Commissioner in addition to the Executive Director, both past and present, saying that they agree with this scientific finding and they want us to go full board. Commissioner Covington stated that she would like to review the rigorous science information mentioned; the stories are heart wrenching and they play to peoples fears when asked for information.

5. **MATTERS NOT APPEARING ON AGENDA.** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Speakers: Majeid Crawford
Julian Davis
Minerva Dunn
Randall Evans
Archbishop King
Christopher Muhammad

7. **REPORT OF THE PRESIDENT**

- Several Commissioners attended the opening of 1300 Fillmore, wonderful and very uplifting; encourages everyone to stop by and have Soulful American Cuisine, experienced first hand the revitalization of the Fillmore.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Update on Certificate of Preference; started the process of being much more aggressive of tracking down and finding certificate of preference holders – hired new staff recently to work on this, more importantly;
 - Combing public records in order to find people who have deceased or otherwise;
 - Bringing on a firm with expertise in finding people;
 - Solicit the help of the public in finding Certificate of Preference holders;
 - 1210 Scott St. – proceeds would be dedicated to providing more substance to the Certificate of Preference program by attaching those monies to down payment assistance programs; homebuyer assistance and credit repair;

- Pulled together Adhoc Task Force of people to help strategize how the \$4m needs to be programmed – included in that task force are people who hold a Certificate of Preference, members of the WACAC, Commissioner Covington, Agency staff and people from the advocacy community that have been tracking this issue;
 - Next step will be several meetings and will culminate and set recommendation to be presented to the WACAC and then to the Commission on how that money should be programmed;
 - In reference to Mr. Davis's question of the expansion of the program to include grandchildren; all of issues mentioned will be brought back before the Commission in February.
- Director Blackwell reported that Mr. Randall Evans received an approval from the WACAC as well as the developer to 1345 Turk Street, Mr. Michael Simmons, to hold an interim use which would be a Christmas tree lot; because the parcel is still agency property, a Permit to Enter is required. Director Blackwell indicated that recent practice has been that that authority is delegated by the Executive Director of the Agency and in looking at the history of this matter it was found that the practice does not coincide with the Commission decision that was made in the late 70's, which said that the Permit to Enter needed to come to the Commission itself. Director Blackwell indicated that the next meeting is not until December 4th which would provide little time to get the Christmas tree lot and since there are a number of conditions that need to be met, including insurance, as well as no electricity coming to the site; pending those conditions being met, unless there is no objection from the Commission, Director Blackwell requested approval to grant the permit to enter for the Christmas tree lot.

9. COMMISSIONERS' QUESTIONS AND MATTERS


- Commissioner Romero indicated that if all the conditions are met he is in favor of Mr. Evans operating the Christmas tree lot which is a great idea.
- Commissioner Romero indicated that he has been on a case for the past six months and may not be able to attend Yoshi's opening on November 27th; wishes everyone a great opening and congratulated Michael Johnson and his team and all that worked with him in the community.

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Ms. Covington, seconded by Ms. Breed, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:20 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

December 4, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4th DAY OF DECEMBER 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 4th day of December 2007, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed
Leroy King
Ramon E. Romero
Darshan Singh
Rick Swig

And the following were absent:

Linda A. Cheu

Fred Blackwell, Executive Director and staff members were also present.

- 2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.**
- 3. MATTERS OF UNFINISHED BUSINESS None.**
- 4. MATTERS OF NEW BUSINESS:**

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CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of November 20, 2007
- 4 (b) Resolution No. 126-2007, Authorizing an extension of time for a panel of environmental assessment firms for a period of eighteen months from December 7, 2007 until June 7, 2009; All Redevelopment Project Areas and Survey Areas

Speaker: Francisco Da Costa

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: REGULAR MEETING OF NOVEMBER 20, 2007, AND 4(b) RESOLUTION NO. 126-2007, AUTHORIZING AN EXTENSION OF TIME FOR A PANEL OF ENVIRONMENTAL ASSESSMENT FIRMS FOR A PERIOD OF EIGHTEEN MONTHS FROM DECEMBER 7, 2007 UNTIL JUNE 7, 2009; ALL REDEVELOPMENT PROJECT AREAS AND SURVEY AREAS , BE ADOPTED.

REGULAR AGENDA

- 4 (c) **Workshop/Progress Report on the Bayview Hunters Point Redevelopment Project Area**

Presenter: Lisa Zayas-Chien (Agency Staff)

Speakers: Chris Buck
Francisco Da Costa
Kristine Enea
Espanola Jackson
Oscar James
Archbishop King
Bob Lee
Christopher Muhammed
Al Norman
Deven Richardson
Arelious Walker
Lashon Walker
Ace Washington
Daniel X

Commissioner King stated one of the first things he did when he was appointed Commissioner was to try to get redevelopment in the Western Addition completed and encouraged work to start in the Bayview-Hunters Point area which he continued to do so for over five years, such as organizing meetings with Alex Pitcher and numerous active community members to make sure blacks stayed in the community, and in the

City. Commissioner King recalled that former Mayor Willie L. Brown, Jr. addressed the community asking them not to leave; that the Bayview-Hunters Point area was going to be the striving community of San Francisco. Commissioner King stated that the past PAC and Committee meetings had an attendance of well over 60 people including longshoremen warehousemen who lived and worked in the Community and encouraged those who attended the Commission meeting to attend the PAC meetings and other Committee meetings to voice their concerns instead of coming to the Commission meetings attacking others who have devoted and committed their whole lives to improving and starting businesses in the Bayview community, such as Al Norman. Commissioner King encouraged everyone to get back to basics by attending the PAC meetings and to work with those who are trying to guide and organize in helping the redevelopment plan along for the good of the Community.

Commissioner Breed stated a lottery was held at the African American Art & Culture Complex the previous day for 100 available units resulting with 1500 applicants, noting that there was a particular group that dominated the lottery and other minority racial groups who did not have the opportunity to get on the first top 100 list of applicants. Commissioner Breed suggested that they explore other options other than the lottery, including the possibility of allowing first priority as it relates to housing units that can benefit the existing community which she believes will run into a similar situation in the Bayview as it relates to African Americans in particular. Commissioner Breed stated that she does not think one group in particular should dominate a process. Commissioner Breed requested that the Agency move forward as it relates to Certificate of Preference holders by adding grandchildren which she understands is currently being worked on but thinks the process needs to be moved more swiftly on that particular matter. Commissioner Breed also stated that she does not think the Agency is fulfilling their obligations on some programs that are funded by the Redevelopment Agency that provide job support and training and suggested that the Agency move forward in order to seriously invest in resources for homeownership, job training and placement, and invest in the people in the Bayview Community. Commissioner Breed stated that one of the things that she is very proud of as Commissioner is the Model Block program since it has been an opportunity to bring people together who have lived on the block for decades and have come together for the first time after living there for many years, not knowing each other and have been given a great opportunity to work together to create a whole new community; she would like to see the Model Block program throughout the whole Bayview area. Commissioner Breed indicated that she does not want to follow the same policies and procedures that the Agency has practiced in other neighborhoods as she believes it may not work in the Bayview and would like to focus on looking at the Bayview differently since she indicated that she does not want what happened at the Western Addition to happen in the Bayview, and sees it happening now. Commissioner Breed stated that she, as a Commissioner, would like to figure out the best way to change the way things have been handled so that her family members and friends are not left out of negotiations in terms of real estate agents such as the young lady who spoke earlier about being a real estate agent in the Bayview and not having the opportunity to sell the homes. Commissioner Breed stated that most people selling homes and handling lottery's the agency is supporting, are not necessarily people from those particular communities and would like to see the Agency take more of a leadership role in ensuring that the Bayview Community are given those opportunities.

Commissioner Swig stated that he too shared the position of the speakers whose priority it is to preserve the integrity, culture and population of the black community in San Francisco and believes it is critical and should be the first and foremost priority of the Redevelopment Commission, as well as the bricks and mortars development and the financial responsibilities that also come as a responsibility of the Commission. Commissioner Swig questioned if there were metrics to measure compliance and effectiveness of the programs for employment and contracting policies to ensure, when these areas are entrusted to large firms, that there is a method of compliance and the metrics are available to the public, that the rules and regulations and other policies are being adhered to. Commissioner Swig stated, in reference to the young lady who spoke of the real estate brokerage issue, the need to ensure that local real estate brokers are not shut out from the wonderful opportunity that is facing them, but more importantly, the black community who is going to buy from those trusted African American brokers who have been in place for decades before they buy it from someone who is going to come in from out of nowhere. Commissioner Swig indicated that he would like to hear as part of the employment and contracting policy that there is something a little more to post construction that benefits the community that stimulates the sales to the existing community and also stimulates comfort for the existing community that when they move back, that both culturally or traditionally, it is there for them and believes the Commission can ensure that by adding to certain policies.

Director Blackwell indicated that there is a lot of data on employment and contracting goals kept at the Agency and what will be forthcoming at the next presentation is a summary of the very aggressive goals around employment and contracting issues as it relates to local employment, minority and women owned businesses and small businesses. Director Blackwell indicated that the Agency currently has a working group chaired by Aileen Hernandez with the participation of both Commissioners' King and Singh which focuses in on the notion of employment and contracting which was presented at the last meeting around who is benefiting and who is getting contracts. Director Blackwell stated that one of the notions from the Working Group meeting was the idea of having a type of report card on a regular basis that provides the public with information on how not only is the Agency doing as far as meeting contracting employment goals, but also on how developers, general contractors and sub-contractors the Agency is working with are also doing on those goals. Director Blackwell indicated that the Working Group has been meeting sporadically for the last two years and will be bringing before the Commission recommendations more frequently from the Working Group and reporting on not only what is happening from a daily perspective of what is being tracked but also recommendations on the Agency's employment and contracting work.

Commissioner Singh inquired as to how the lottery works.

Director Blackwell stated, in accordance with Federal Fair Housing laws, when federal money is used to develop those properties which the Agency adheres to, everyone has access to a lottery of new affordable housing opportunities, anyone who has an interest in a particular set of units has the ability to submit their name to be a part of that lottery and their names are picked randomly. Director Blackwell indicated that some communities have a very strong word of mouth or grapevine method by which people get into the lottery process and other communities do not; one dimension is the lottery

itself and how it works, another dimension of is what the infrastructure looks like in the community to make sure that people have equal access to information and can adequately see the lottery pool. Director Blackwell indicated the important point that Commission Breed made is that it should not be lost around the Certificate of Preference Program as it relates to the lottery; People who hold Certificates of Preference move to the front of the line when it comes to the lottery process, their names go first, then the names of those selected go afterwards. Director Blackwell indicated that is a very important mechanism that can be used in order to address the fair housing laws to ensure that people who have been displaced through previous efforts have the first right of refusal or first in line for new housing opportunities, not as it relates to the neighborhoods they were displaced from, but citywide when it comes to housing opportunities that are being created.

Commissioner Covington inquired as to how the two community workshops were conducted and the method used for outreach to ensure the community was informed and how many people attended.

Ms. Zayas-Chien stated that the first workshop was held in August at the rectory of a local church in the community within the survey area with about 90 people in attendance and as part of the outreach efforts, both the Agency and the Planning Dept. had very specific mailings; for the Agency's part the Bayview PAC as well as the HPSY CAC's mailing lists were utilized and the Planning Department included a mailing within a radius targeted towards property owners, tenants and people living within a certain radius of the area with the express purpose of making sure that not only inside the survey area but also adjacent property owners received notices of the mailers. The second workshop was held in November on Hunters Point Hill with the strategy being to move the locations of the meeting in the surrounding areas, in particular with people who reside up on the hill across from Hunters Point Shoreline, the workshop was less well attended but similar strategies were used to get the word out about the meeting such as hand notices and flyers were sent out to Hunters View.

Commissioner Covington inquired as whether there were any preliminary plans or discussions in terms of preference for current residents in the Bayview for new housing and if so, when will they be presented; also, is there any other local preference in any other redevelopment plan in the City.

Ms. Zayas-Chien indicated that currently the Redevelopment plan does outline a specific set of preferences; as with all other projects, Certificate of Preference Holders are on the top of the list and as far as local preference, there is nothing noted in the redevelopment plan for local preference.

Commissioner Covington stated that the Agency definitely needs to look into local preference. Commission Covington inquired as to how the newsletter was going to be distributed.

Ms. Zayas-Chien indicated that the Bayview PAC is reviewing all facets related to the production of a quarterly newsletter which includes costs related to quantity and printing with the consideration that the mailing list currently consists of over one thousand addresses.

Commissioner Covington inquired as to whether there has been any discussions regarding local preferences for professionals in the community and what type of outreach is being formulated to ensure the monies being circulated stay within the community before they leave the Bayview.

Ms. Zayas-Chein indicated that would be discussed during the presentation following this discussion.

- 4 (d)** Resolution No. 127-2007, Adopting an Employment and Contracting Policy for the Bayview Hunters Point Redevelopment Project Area; Bayview Hunters Point Redevelopment Project Area

Presenter: Lisa King (Agency Staff); Romulus Asenloo (Agency Staff)

Speakers: Francisco Da Costa
Kristine Enea
Espanola Jackson
Angelo King
Bob Lee
Deven Richardson
Arelious Walker

Commissioner Breed expressed her concern in making sure that there is appropriate time given to training prior to the offer of jobs because people will not be hired if they are not qualified, secondly, supports what Commissioner King said as far as training opportunities in real estate and other options and should not be limited only to construction and manual labor jobs and would like to look into opportunities in all aspects including development.

Commissioner Breed put forth a motion to adopt Item 4(d).

Commissioner Romero indicated that he agreed with Commissioner Breed, including the notion that local realtors should have some role in the development of the whole area since it will be some time before those units are developed and there will be enough time to train within the community for such jobs as realtors.

Commissioner Romero seconded Item 4(d).

Commissioner Covington requested an informational memo that contained the details of Mr. Asenloo's presentation which were not reflected in the information received in the packets and there was no mention of a ballpark figure on the number of jobs that might be created in the various areas; the categories of positions which can be utilized for the training in order to keep track if the Agency is on target. Commissioner Covington also indicated that she would like a timeline on the training so that the jobs would be in line when they open up and was glad to hear about the expansion in terms of the definition of job training. Commissioner Covington indicated that a number of things need to include best thinking about the ancillary jobs that are going to be created in a new community.

Director Blackwell stated, in reference to the employment and contracting policy, staff will come back on a future agenda item that talks specifically about programmatic strategies that relate to the policy regarding job training, outreach relating to the types of jobs, strategies that need to accompany the policy in order to ensure that goals are met.

Commissioner Covington indicated that there was still a need for a breakdown of jobs since the contracts reflect jobs that need to be fulfilled in order to fulfill the contract.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4(d), RESOLUTION NO. 127-2007, ADOPTING AN EMPLOYMENT AND CONTRACTING POLICY FOR THE BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED

- 4 (e) Resolution No. 128-2007, Clarifying the Executive Director's authority to approve up to \$70,000 in aggregate loans for improvement of a single retail space in accordance with the Six on Sixth Economic Revitalization Program, which provides for a maximum of \$20,000 for a façade improvement loan and \$50,000 for a tenant improvement loan; South of Market Redevelopment Project Area

Commissioner Breed asked if there was an in-depth process they would have to go through to have their loans forgiven.

Mr. Grisso indicated that for the façade improvement loans are immediately forgiven when the construction is completed, for the tenant improvement loan they are forgiven over time, over five years for a business, over 15 years for a property owner. Wouldn't call the process extensive, except to the extent that there is a time they have to wait for the tenant improvement loans to ensure that the property owner does not flip the property immediately to try to make a profit after the Agency improvements have been made.

Commissioner Breed asked if that is why they are called loans and not grants.

Mr. Grisso indicated the reason they are called forgivable loans is because of a redevelopment funding policy that specifies that they need to be loans.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4(e), RESOLUTION NO. 128-2007, CLARIFYING THE EXECUTIVE DIRECTOR'S AUTHORITY TO APPROVE UP TO \$70,000 IN AGGREGATE LOANS FOR IMPROVEMENT OF A SINGLE RETAIL SPACE IN ACCORDANCE WITH THE SIX ON SIXTH ECONOMIC REVITALIZATION PROGRAM, WHICH PROVIDES FOR A MAXIMUM OF \$20,000 FOR A FAÇADE IMPROVEMENT LOAN AND \$50,000 FOR A TENANT IMPROVEMENT LOAN; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; BE ADOPTED.

- 4 (f) Resolution No. 129-2007, Authorizing a First Amendment to the Personal Services Contract with MJM Management Group, a California Corporation, (formerly known as KTB Management Group), for property management services of the Mission Bay Open Space System and increasing the contract amount for the management fee by \$76,250 for a total aggregate amount for the management fee not to exceed \$340,210; Mission Bay North and South Redevelopment Project Areas

Presenter: Catherine Reilly

Commissioner Breed indicated that MJM's reputation precedes them with the extraordinary job in maintaining the gardens and all the projects she has known them to work on, and appreciates their support and the fact that they go above and beyond when working with any community they are a part of and those that they aren't.

Commissioner Covington inquired as to whether the Agency is responsible for the maintenance and security of the parks in perpetuity.

Ms. Reilly indicated the Agency is responsible until 2043.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4(f), RESOLUTION NO. 129-2007, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP, A CALIFORNIA CORPORATION, (FORMERLY KNOWN AS KTB MANAGEMENT GROUP), FOR PROPERTY MANAGEMENT SERVICES OF THE MISSION BAY OPEN SPACE SYSTEM AND INCREASING THE CONTRACT AMOUNT FOR THE MANAGEMENT FEE BY \$76,250 FOR A TOTAL AGGREGATE AMOUNT FOR THE MANAGEMENT FEE NOT TO EXCEED \$340,210; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

- 4 (g) Resolution No. 130-2007, Conditionally approving the Schematic Design for the rehabilitation of an existing 448,000-square-foot office building at 370 Third Street; Yerba Buena Center Redevelopment Project Area

Presenter: Christine Maher (Agency staff) and Elena Branick (Agency staff)

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4(g), RESOLUTION NO. 130-2007, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE REHABILITATION OF AN EXISTING 448,000-SQUARE-FOOT OFFICE BUILDING AT 370 THIRD STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (h) Resolution No. 131-2007, Authorizing an Owner Participation Agreement with Alfonso and Marisela Ramirez, husband and wife as joint tenants, for a proposed new 2,665-square-foot, two-story light industrial building at 1645 Hudson Avenue for the fabrication and selling of ornamental steel products; Bayview Industrial Triangle Redevelopment Project Area

Presenter: Alma Basurto (Agency Staff)

Commissioner Romero thanked Mr. and Mrs. Ramirez for doing business in San Francisco and for working with the PAC.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, UNANIMOUSLY CARRIED THAT TIEM 4(h), RESOLUTION NO. 131-2007, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH ALFONSO AND MARISELA RAMIREZ, HUSBAND AND WIFE AS JOINT TENANTS, FOR A PROPOSED NEW 2,665-SQUARE-FOOT, TWO-STORY LIGHT INDUSTRIAL BUILDING AT 1645 HUDSON AVENUE FOR THE FABRICATION AND SELLING OF ORNAMENTAL STEEL PRODUCTS; BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA; BE ADOPTED.

- 4 (i) Resolution No. 132-2007, Approving a schematic design for a 2,665-square-foot, two-story, light industrial building at 1645 Hudson Avenue for the fabrication and selling of ornamental steel products; Bayview Industrial Triangle Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4(h), RESOLUTION NO. 132-2007, APPROVING A SCHEMATIC DESIGN FOR A 2,665-SQUARE-FOOT, TWO-STORY, LIGHT INDUSTRIAL BUILDING AT 1645 HUDSON AVENUE FOR THE FABRICATION AND SELLING OF ORNAMENTAL STEEL PRODUCTS; BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA**

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.**

Muhammad Al-Kareem
Ace Washington

7. **REPORT OF THE PRESIDENT**

- Commissioner Covington requested the Commission Election be calendared to the next regularly scheduled meeting of January 15, 2008 of which all Commissioners present agreed
- Commissioner Covington praised the opening of Yoshi's and encouraged all to frequent Yoshi's and 1300 Fillmore

8. **REPORT OF THE EXECUTIVE DIRECTOR.** None.

9. **COMMISSIONERS' QUESTIONS AND MATTERS**

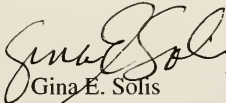
- Commissioner Breed praised the opening of Yoshi's and of 1300 Fillmore
- Commissioner Romero indicated that he was not able to attend the opening but had frequented Yoshi's since the late '70's and looks forward to attending soon

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Ms. Covington, seconded by Ms. Bred, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:35 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

December 18, 2007

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18th DAY OF DECEMBER 2007

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of December 2007, at the place and date duly established for holding of such a meeting.

President Francee Covington called the meeting to order at 4:00 p.m.

Ms. Covington welcomed members of the public and radio listening audience, and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Ms. Covington asked members of the public who wish to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Ms. Covington stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Francee Covington, President
London Breed
Linda A. Cheu
Leroy King
Ramon E. Romero
Rick Swig

DOCUMENTS DEPT

And the following were absent:

Darshan Singh

Fred Blackwell, Executive Director and staff members were also present.

- 2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.**
- 3. MATTERS OF UNFINISHED BUSINESS None.**
- 4. MATTERS OF NEW BUSINESS:**

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CONSENT AGENDA

- 4 (a) Approval of Minutes for the Meeting of December 4, 2007
- 4 (b) Resolution No. 133-2007, Authorizing Amendment No. 6 to the Agency's Master Lease with the United States Department of the Navy to extend the term through June 30, 2008; Hunters Point Shipyard Redevelopment Project Area
- 4 (c) Resolution No. 134-2007, Authorizing a Third Amendment to the Amended and Restated Hunters Point Shipyard Sublease Agreement with Patterns Limited, Incorporated, a California corporation, doing business as The Point, to extend the term of the sublease through June 30, 2008; Hunters Point Shipyard Redevelopment Project Area
- 4 (d) Resolution No. 135-2007, Authorizing an Eighth Amendment to the Exclusive Negotiations Agreement to extend the term until June 30, 2008, and a Fifth Amendment to the Tax Increment Loan Agreement to amend the schedule of performance, with San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, for the development of 18 low- and moderate-income first-time homeownership units and ground floor commercial space at 4800 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program
- 4 (e) Resolution No. 136-2007, Authorizing Amendment No. 3 to Letter of Credit and Reimbursement Agreement with Dexia Credit Local to extend the letter of credit relating to the Agency's Variable Rate Demand Refunding Bonds, 1986 Issue A (South Beach Harbor Project) for four years and authorizing and approving other matters properly relating thereto; Rincon Point-South Beach Redevelopment Project Area

Speakers: Francisco Da Costa
Ace Washington

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a), APPROVAL OF MINUTES: REGULAR MEETING OF DECEMBER 4, 2007, (MS. CHEU ABSTAINED); 4(b) RESOLUTION NO. 133-2007, AUTHORIZING AMENDMENT NO. 6 TO THE AGENCY'S MASTER LEASE WITH THE UNITED STATES DEPARTMENT OF THE NAVY TO EXTEND THE TERM THROUGH JUNE 30, 2008; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, ITEM 4(c), RESOLUTION NO. 134-2007, AUTHORIZING A THIRD AMENDMENT TO THE AMENDED AND RESTATED HUNTERS POINT SHIPYARD SUBLEASE AGREEMENT WITH PATTERNS LIMITED, INCORPORATED, A CALIFORNIA CORPORATION, DOING BUSINESS AS THE POINT, TO EXTEND THE TERM OF THE SUBLEASE THROUGH JUNE 30, 2008; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA; ITEM 4(d), RESOLUTION NO. 135-2007, AUTHORIZING AN EIGHTH AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS AGREEMENT TO EXTEND THE TERM UNTIL JUNE 30, 2008, AND A FIFTH AMENDMENT TO THE TAX INCREMENT LOAN

AGREEMENT TO AMEND THE SCHEDULE OF PERFORMANCE, WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF 18 LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP UNITS AND GROUND FLOOR COMMERCIAL SPACE AT 4800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM; ITEM 4 (e), RESOLUTION NO. 136-2007, AUTHORIZING AMENDMENT NO. 3 TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT WITH DEXIA CREDIT LOCAL TO EXTEND THE LETTER OF CREDIT RELATING TO THE AGENCY'S VARIABLE RATE DEMAND REFUNDING BONDS, 1986 ISSUE A (SOUTH BEACH HARBOR PROJECT) FOR FOUR YEARS AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (f) Resolution No. 137-2007, Authorizing a predevelopment loan agreement in an amount not to exceed \$1,631,531 with Michael Simmons Property Development, Inc., a California corporation, for development of approximately 32 low and moderate income first-time ownership units; 1345 Turk Street, Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenter: Michele Davis (Agency Staff)

Speakers: Ace Washington
Eris Edgerly

Commissioner Breed inquired as to the details of the community component of the project since, as she recalled, Mr. Simmons scored lower than the other developers for community outreach which was a concern to her at the time the project was awarded.

Ms. Davis stated that Mr. Simmons attended the August 9th Western Addition CAC meeting and presented his community outreach plan, has brought on a community based consultant to work with prospective buyers from the area, and has contracted with Mr. Woods in providing community outreach in working with the various housing developments in the area to work with prospective buyers early on in order that they are provided with homeownership opportunities as well as prospective business relationships when the units become available. Ms. Davis also stated that Mr. Simmons has placed several ads in the Western Edition Newspaper and convened a homebuyer workshop a week ago with another workshop scheduled in January.

Ms. Breed inquired as to whether Mr. Simmons' presentation of the plan at the CAC meeting August 9th was an action item.

Ms. Davis indicated Mr. Simmons' item was not an action item but a presentation of the schematic design drawings with architectural boards which the CAC approved

with how the conceptual drawings were coming along and pleased with how the building was going to look like and received many accolades at that meeting.

Ms. Breed inquired as to why this particular action item was not part of the CAC's agenda and why it did not receive a recommendation at that meeting for the predevelopment loan.

Ms. Davis indicated that it was a timing issue in order to have the memo ready in time for the current Commission meeting and would not have been able to include that component and did their best to inform the CAC to get any feedback in the event there were any questions or concerns.

Ms. Breed stated that she had a concern in moving forward with this item due to the fact that the item was highly contested at the time it was before the Commission and she continues to have a major problem with the community outreach component. Commissioner Breed indicated that there had been plenty of time to bring the item before the CAC for consideration as an action item and does not believe there would have been any excuse that the CAC would not have made a recommendation since it is an important project for the community. Commissioner Breed indicated that in moving forward, she could not support this item at this time until she has a clear recommendation that the CAC support or does not support this particular matter.

Commissioner Romero indicated that he was mindful of Commissioner Breed's concerns and did not see anyone from the CAC at the Commission meeting to comment on this item which he interpreted as no objection, and indicated that if there were strong grounds to delay this item he would do so but did not think what had been expressed is good enough grounds to delay it and would like to move the project forward. Commissioner Romero put forth a motion to adopt Item 4(f).

Commissioner Cheu seconded Item 4(f).

Commissioner Breed inquired as to why Mr. Simmons was not present at the Commission meeting for his item being heard.

Ms. Davis indicated that Mr. Simmons was at a meeting at the Bayview at which time Mr. Simmons walked into the Board Room and was introduced by Ms. Davis.

Ms. Simmons stated that they were selected in April for the project and have been working hard in the community, has prepared an outreach plan for the project that the Commission asked for was prepared and presented to community members and agencies including the CAC which was approved by the CAC. Ms. Simmons indicated that he has been moving forward with the design for the project and has almost completed work on the schematic design; are launching a website which should be up sometime in January (www.1345Turk.com) to be able to reach out to people which will display copies of the plans, purchasing in the project and contact information. Mr. Simmons indicated that he hopes to bring the project back for the Commissioner's approval of the schematic design sometime in January or February with the hopes of starting construction in the Spring of 2009.

Commissioner Breed asked for a copy of the community outreach plan and indicated that until she receives a copy of the community outreach plan she cannot support the item and requested that her fellow commissioners support her request of a postponement of this item until she receives and has an opportunity to review the community outreach plan.

Commissioner Cheu asked Mr. Simmons to briefly outline his community outreach plan.

Mr. Simmons indicated the purpose of the plan was to reach out to people throughout the city, in particular in the Western Addition, and one of the things he had implemented was a neighborhood meeting where he personally went to all of the people on Turk and Golden Gate and invited them to come to the meeting to talk about the project and its impact on the neighborhood. Mr. Simmons indicated that a meeting is scheduled for January 9th to talk to the broader community, is not only advertising in local papers but taking flyers to each of the affordable housing developments, the co-ops, Laurel Gardens, to engage people who are already in the community to come on board early since his experience in housing counseling has been that people need time in advance to prepare in purchasing; can prepare their credit, get savings and so forth to be able to live in the project. Mr. Simmons indicated that his goal is to reach people now since the project will not start construction for another year, to bring people in early in the process. Mr. Simmons indicated that this was basically what the community outreach plan talks about and includes the homeowner's association workshops; homebuyers workshops; training on running a homeowner association; training on how to maintain your home; and, try to give people an understanding of the power of homeownership and what they can do with it.

Commissioner Breed asked where specifically the outreach meetings were held.

Mr. Simmons indicated that only one meeting has been held to date at the Northern Police Station with another meeting scheduled for January 9th also to be held at the Northern Police Station, and a series of other workshops are being scheduled.

Commissioner Breed inquired as to how Mr. Simmons is outreaching to the community for his meetings.

Mr. Simmons stated that he has gone door to door distributing flyers to the neighborhood that was immediately impacted by that project and everyone who faced that project, everyone on Turk and Golden Gate whose north backyard would be impacted by the project, also reached out to Webster – Turk Street and Golden Gate across the street from the specific project. Mr. Simmons indicated that the meeting was to talk to the neighbors about the impact of the project height and impact on their property with the next scheduled meeting to talk about the design of the project and how they can be involved, to reach out to people in the community to inform them on how they can purchase, how they can get ready early so that when the project is done they can be the first in line for the project. Mr. Simmons stated that he came up with an early outreach plan to those who are in affordable housing and indicated that the Bayview has a designation of priority for people who are living in affordable housing of which the Western Addition does not; coupled with that at the same time there is a

look at the Certificate of Preference Holder Program and indicated that he is waiting to move forward with his home buyer workshop until the Agency has resolved the Certificate of Preference Holder Program and what they're going to do and dovetail that into his outreach plan.

Commissioner Breed inquired as to why this was not brought to the CAC as an action item and indicated that it has been presented to the CAC, she does not have minutes from the meeting or the community plan that was said to have been distributed and discussed at the CAC and expressed that she is not confident with all the information being given as to why it was not brought forth the CAC as an action item.

Director Blackwell stated that he was not sure why this was not an action item and would follow up and bring that information back to the Commission.

Commissioner Covington stated that it would be helpful to have a fleshed out community outreach and action plan in writing that is much more detailed to discuss these matters beginning with the people who are closest to the project; making sure they understand what is going on and then branching out from there. Commissioner Covington indicated that she hopes to see that Mr. Simmons' proposed website will have a link to the San Francisco Redevelopment Agency's website and Certificate of Preference Program information to enable people looking up information will not have to do a lot of searching for those programs.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED (MS. BREED ABSTAINED) THAT ITEM 4(f), AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$1,631,531 WITH MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC., A CALIFORNIA CORPORATION, FOR DEVELOPMENT OF APPROXIMATELY 32 LOW AND MODERATE INCOME FIRST-TIME OWNERSHIP UNITS; 1345 TURK STREET, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4(g) Resolution No. 138-2007, Authorizing a Grant Agreement in an amount not to exceed \$550,000 and a second amendment to the contract for sale of land to redeveloper for a turnkey senior citizens housing project to revise the schedule of performance with the Housing Authority of the City and County of San Francisco, a public body, corporate and politic, to complete Phase III of the landscaping work in the common areas adjacent to Clementina Towers at 320 Clementina Street; Yerba Buena Center Redevelopment Project Area

Presenter: Ricky Tijani (Agency Staff)

Speakers: John Elberling
Jeannie Riggs
Mr. Lee
Mr. Juan Monsanto

Commissioner Swig stated that when the agreement and contract were originally signed, both TODCO and the Housing Authority were responsible and required to finish this project, and in not doing so, created vulnerability to the residents of this project and how the project is subject to all the conditions that exists now which are not good conditions. Commissioner Swig inquired as to where was the accountability with TODCO and the Housing Authority for spending the money to finish the project, how they come back hat in hand suddenly when they don't have \$500,000 to finish this very important project that was required in the first place. Commissioner Swig indicated that there was no doubt that the project should go forward but expressed his concern on the accountability of both TODCO and the Housing Authority.

Mr. Tijani stated that the Housing Authority is leasing the land for only \$1.00 per year and is a joint effort between the three parties; the Agency, TODCO and the Housing Authority to make this happen and in return, everyone agrees that the landscaping will be done. Mr. Tijani indicated that efforts have been made to raise funds to the extent possible since they are both non-profits, but due to both being non-profits, have not been able to raise additional funds to get this work done and as a result, they have cut down on the scope of the work and these funds are for critical items. It was impressed upon them that there would not be additional funds.

Commissioner Swig indicated that he noticed that there is stern and diligent language about holding them accountable for finishing this job if the funds are made available and expressed his concern on how a contract with two parties can so easily disappear and come back and ask for money.

Director Blackwell indicated that for a project such as this, the sources of funds for capital and landscaping are not abundant, while on one hand providing strong language in terms of holding people accountable for the fund raising. Director Blackwell indicated that he believes people get the fact that this is not an easy type of project to raise money and coming to the Agency for funds is not something encouraged as a last resort, but in this case, with regard to this particular kind of project, there are not a lot of places for agencies to go to for funding.

Commissioner Covington inquired as to who is responsible for the upkeep.

Mr. Tijani indicated that there is a maintenance agreement between the Housing Authority and TODCO in terms of the joint maintenance of that common area because they each have their own area.

Commissioner Covington stated that it is then her understanding that the Agency does not have any responsibility for the ongoing maintenance.

Mr. Elberling indicated that each of the two parties are responsible to maintain their own property – the Housing Authority will be responsible to maintain the property that will be approved with the grant today and TODCO pays to maintain the half of the Commons that is on the TODCO side.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. CHEU AND UNANIMOUSLY CARRIED RESOLUTION NO. 138-2007, AUTHORIZING A GRANT AGREEMENT IN AN AMOUNT NOT TO EXCEED \$550,000 AND A SECOND AMENDMENT TO THE CONTRACT FOR SALE OF LAND TO

REDEVELOPER FOR A TURNKEY SENIOR CITIZENS HOUSING PROJECT TO REVISE THE SCHEDULE OF PERFORMANCE WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, A PUBLIC BODY, CORPORATE AND POLITIC, TO COMPLETE PHASE III OF THE LANDSCAPING WORK IN THE COMMON AREAS ADJACENT TO CLEMENTINA TOWERS AT 320 CLEMENTINA STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED

5. MATTERS NOT APPEARING ON AGENDA

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Speakers: Christopher Muhammad
Francisco Da Costa
Davie Muhammad
Archbishop King
Carlos Levelier
Eris Edgerly
Angelo King
Bishop Earnest Jackson

Commission President Covington asked for a five minute recess

REPORT OF THE PRESIDENT

- Commission President Covington stated that the issues that people come to these meetings are very near and dear to their hearts and very near and dear to the Commissioners hearts and expressed her hope that, in the future, find a way to have a more moderated dialogue that leads to progress; this is a work in progress and hopefully things can move forward.

7. REPORT OF THE EXECUTIVE DIRECTOR

- Director Blackwell reported that the Task Force appointed to look at the declining black population and develop a set of recommendations on that issue met with the Mayor and Supervisor Maxwell today to present those recommendations; the next step is to present those recommendations to the Mayor's Office staff and key department heads and Commissions in order to build not only a constituency around the work but also to begin to talk how these particular issues get implemented. Director Blackwell indicated that the areas of focus for the recommendations are housing, jobs and economic development, education, public safety and cultural life, a number of goals associated with each one of those areas and associated with each of the goals are a number of strategies to try to realize those goals and is looking forward to the broad outreach that will be associated with making sure that the public knows what those recommendations and what the implementation plans are.

- Director Blackwell stated that after 30 years of service to the Agency, Isabella Wong was retiring. Isabella joined the Agency in 1977 as a Community Representative I and has held a number of different positions on a number of different project areas and wanted to acknowledge Isabella publicly for her service to the Agency and asked for a round of applause for Isabella's work.

Commissioner Covington stated that she echoed the same sentiments, Isabella Wong has been a tremendous asset to the Agency, has known her for 25 years and appreciates all Isabella's efforts and wished the best to her.

9. COMMISSIONERS' QUESTIONS AND MATTERS

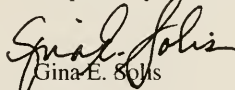
- Commissioner Romero took the opportunity on the occasion of the last meeting of the year to wish his fellow Commissioners Happy Holidays and thanked and expressed how he has enjoyed working with them, stated that they should all be proud of all the accomplishments they made during the year. Commissioner Romero also suggested, in reference to President Covington's comment on the meetings, it takes the cooperation of the public and all the participants and staff and urged the Chair to follow the rules and enforce time limits, treat everyone the same and no one is allowed to go beyond what anyone else is allowed to do and thanked President Covington for handling the matters as well as she has.

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Ms. Breed, seconded by Mr. Swig, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:45 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

APPROVED:

January 16, 2008



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